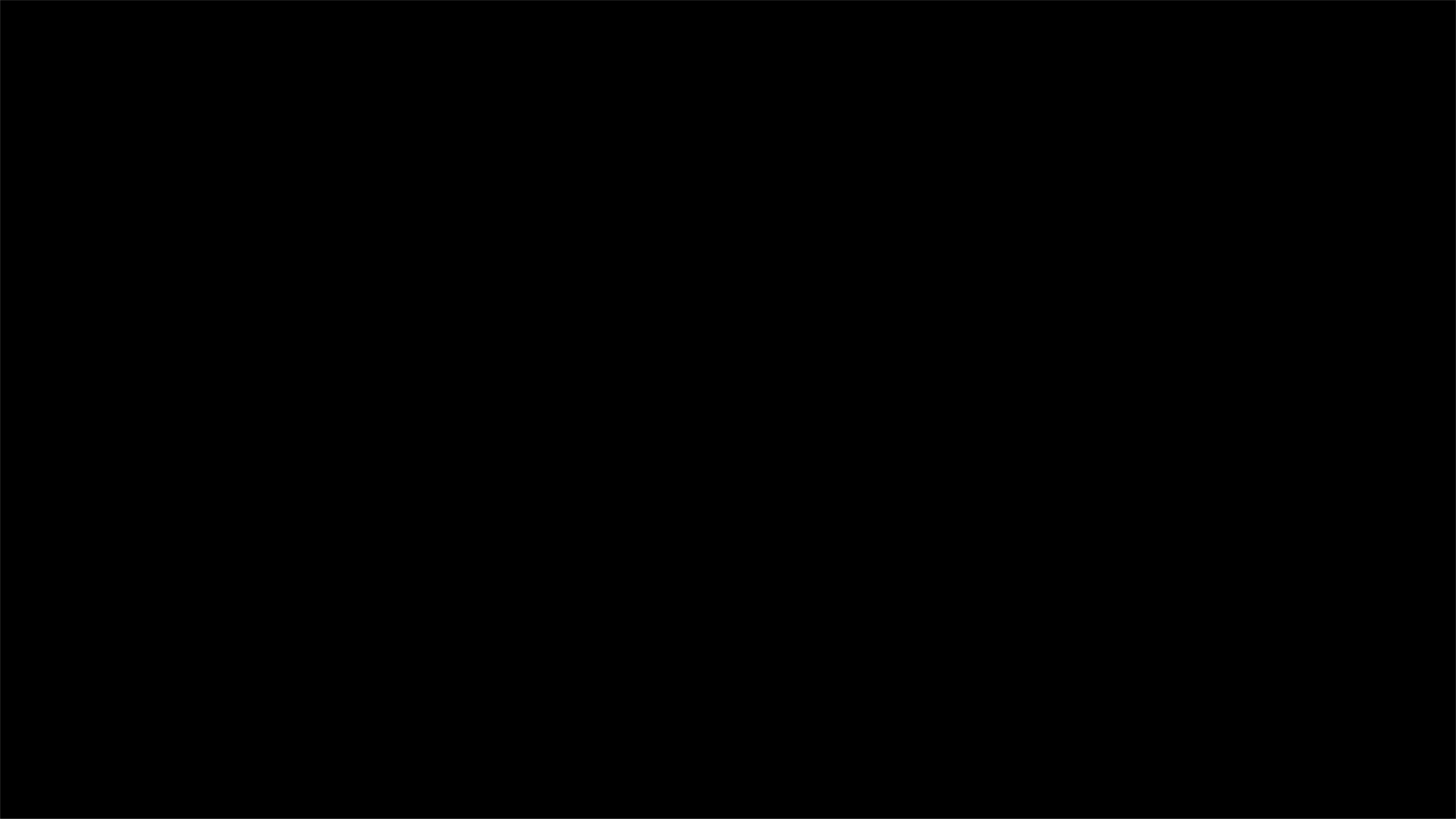




# Budget Messaging

*Washington doesn't have a taxing problem, it has a spending problem.*

How to effectively promote and defend the House  
Republican Budget





# Win The Battle At 30,000 Feet -- Not In The Trenches





# Play



# Not





# Humanize the Debate



“I have never felt so embarrassed and ashamed about anything I have done in my life as I do about leaving this mess in the laps of Tyler and Kaytlin, my precious grandkids. I have written both of them a heartfelt apology for them to read when they get old enough to understand what I allowed our country’s governing authority to do to them.”

*Rich  
Winnsboro, Texas*



# Humanize the Debate



“I could not hire more employees or expand my business, and I would definitely have to close up shop. As a small business owner, I am very afraid of my future.”

*Dianne  
Kaufman, Texas*



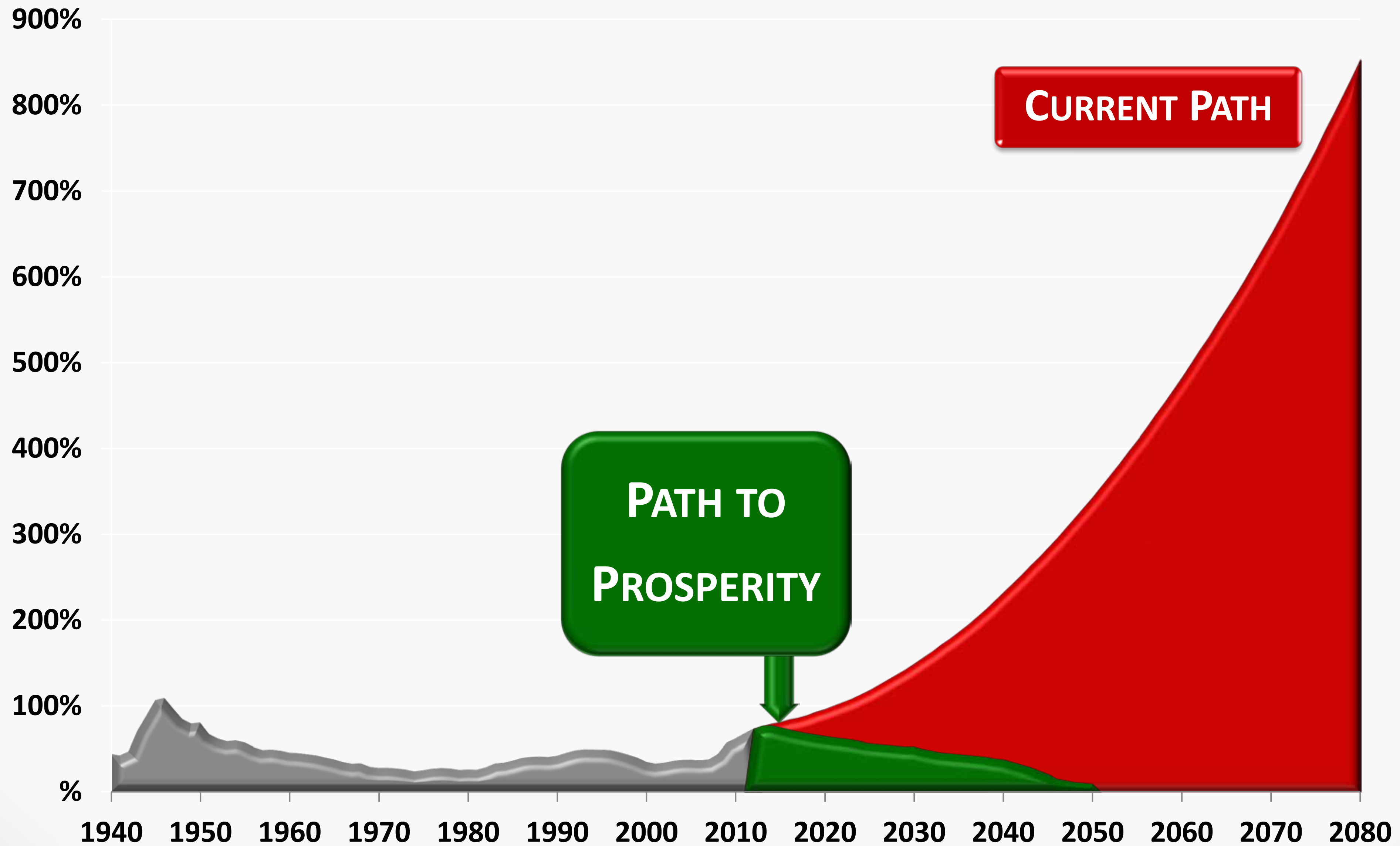
# Use Visuals



FIGURE 14

# A CHOICE OF TWO FUTURES

## (DEBT AS A SHARE OF ECONOMY)



SOURCE: OMB/CBO



# Playing Offense



# Playing Offense: The Senate

- The Democrat-led Senate hasn't passed a budget in three years. They continue to spend with zero accountability to taxpayers.
- “We do not need to bring a budget to the floor this year — it's done, we don't need to do it.”

*-Senator Harry Reid*



# Playing Offense: Debt

- Since President Obama took office, the national debt has increased by \$5 trillion or almost 50 percent in just three years.
- President Obama has increased the deficit by 190 percent, presided over the three largest deficits in history.
- Adds \$11 trillion to the debt.
- Imposes \$200,000 debt burden per household.



# Washington's Budget

<b>Spending:</b>	<b>\$3,800,000,000,000</b>
<b>Income:</b>	<b>\$2,500,000,000,000</b>
<b>New Debt:</b>	<b>\$1,300,000,000,000</b>
<b>Outstanding Credit Card Debt:</b>	<b>\$15,600,000,000,000</b>



# Family Budget Perspective

**Spending:** **\$38,000** ~~0000000000~~

**Income:** **\$25,000** ~~0000000000~~

**New Debt:** **\$13,000** ~~0000000000~~

**Outstanding Credit Card Debt:** **\$156,000** ~~0000000000~~



**Over the next ten years, the President's budget adds \$11 trillion to the national debt. How much is that?**

**\$1 Trillion = \$8,425 for every family**

---

**\$11 Trillion** in new debt

**=**

**\$92,684** for every family

# Playing Offense: Using the President's Own Words Against Him

**“The fact that we’re here today to debate raising America’s debt limit is a sign of leadership failure. Leadership means ‘The buck stops here.’ Instead, Washington is shifting the burden of bad choices today onto the backs of our children and grandchildren.”**

*President Barack Obama,  
March 16, 2006*



# Playing Offense: Deficits

- The President's budget gives us our 4th straight trillion-dollar deficit.
- Despite the president's promise to cut the deficit in half in four years, the deficit has grown by 190 percent.
- The president's budget never balances.
- The president's budget imposes \$6.7 trillion in deficits over the next ten years.
- The president's budget keeps borrowing almost 40 cents of every dollar we spend, much of it from the Chinese.

# Playing Offense: Using the President's Own Words Against Him

“Today I’m pledging to cut the deficit we inherited in half by the end of my first term in office.”

*President Barack Obama,  
February 23, 2009*



# Playing Offense: Spending

- Since President Obama took office, spending has grown by 27%
- The budget would spend \$3.803 trillion in 2013 or 24.3% of GDP, the 2nd highest amount of government spending in history.
- The president's budget includes \$1.5 trillion in new spending
- The president's budget continues Washington's unprecedented growth, increasing the size of government by 53% over the next ten years.

# Playing Offense: Using the President's Own Words Against Him

**“We’ve got to spend some money now to pull us out of this recession.”**

*President Barack Obama,  
February 12, 2009*



## Ten-Year Agency Growth Rates

Agency	2002	2012	Percentage Change
Department of Agriculture	\$68.62 billion	\$150.68 billion	Up 120%
Department of Education	\$46.37 billion	\$98.46 billion	Up 112%
Department of Housing and Urban Development	\$31.78 billion	\$56.78 billion	Up 79%
Department of Labor	\$64.68 billion	\$127.15 billion	Up 97%
Department of Energy	\$17.66 billion	\$38.99 billion	Up 121%
Department of Transportation	\$56.25 billion	\$84.13 billion	Up 50%
Department of Health and Human Services	\$465.32 billion	\$87.18 billion	Up 87%
<b>Family Income</b>	<b>\$51,398</b>	<b>\$49,445</b>	<b>Down 4%</b>



# Where Does the Spending go?

## Government Waste and Duplication

In February 2012 GAO identified the following areas of duplication, which could produce savings well beyond \$100 billion annually, including:

- **209** Science, Technology, Engineering and Math education programs run by 13 agencies
- **160** housing assistance programs run by 20 entities
- **94** initiatives to encourage “green building” in the private sector run by 11 agencies
- **82** teacher training programs run by seven agencies
- **56** financial literacy programs run by 20 agencies
- **14** programs to reduce diesel emissions



# Playing Offense: Taxes

- The President's budget imposes a \$1.9 trillion tax increase.
- Adds new complexity and new hurdles for hardworking taxpayers.
- Makes it more difficult to expand economic opportunity and jobs.
- The President's budget protects tax subsidies and special interest carve outs for companies like Solyndra.

# Playing Offense: Taxes

- The President's budget would increase the top two income tax brackets, imposing economic harm on small businesses and all Americans.
- Small businesses are responsible for almost two thirds of the jobs created in the United States in the past 15 years, and almost 50 percent of small-business profits are taxed at the top two rates.

# Playing Offense: Health Care

- The President's budget doubles down on Obamacare by raiding over \$500 billion from Medicare and ensuring Medicare's bankruptcy.
- The President's budget empowers an unaccountable board of 15 bureaucrats to cut Medicare in ways that result in restricted access and denied care for current seniors.



# Playing Offense: Using the President's Own Words Against Him

*The President Knows That Medicare Is Unsustainable*

**“The major driver of our long-term liabilities, everybody here knows, is Medicare and Medicaid and our health care spending.**

**“Nothing comes close.”**

*President Barack Obama*

*Speaking at House Republican Retreat in Baltimore, MD*

*January 29, 2010*



# Playing Offense: Health Care

## The Government Takeover of Health Care Changed ‘Medicare As We Know It’

### 1. GLOBAL FEE CAP

- For the first time in history, strict controls are imposed on both the amount and volume of Medicare payments, which will result in seniors having **less access to doctors**.

### 2. IPAB

- A hard cap is imposed on Medicare spending, and a 15-member board of unelected bureaucrats is in charge of **rationing care** to meet the caps.

### 3. \$500 BILLION RAID ON MEDICARE

- The health care takeover **raided \$500 billion** from Medicare to fund a new entitlement - instead of shoring up Medicare's own solvency.



# Playing Offense: Energy

- When President Obama took office, a gallon of gas cost \$1.89. Today it costs \$3.90.
- The president rejected the Keystone XL project, denying thousands of jobs during the worst employment crisis since the Great Depression.
- The president tried and failed to build a green economy, using billions of taxpayer dollars to fund Solyndra.

# Playing Offense: Using the President's Own Words Against Him

**“We’ll also take steps to reduce the price of oil and increase transparency in how prices are set so we can ensure that energy companies aren’t bending the rules.”**

*President Barack Obama*

*April 25, 2008*



# Playing Offense: National Security

- The President's budget slashes defense spending by nearly \$500 billion.
- Threatens additional cuts by refusing to specify plan of action to address the sequester.
- Forces troops and military families to pay the price for Washington's refusal to address drivers of debt.

# Playing Offense: Third Party Validation



# The Washington Post

**“...Mr. Obama’s proposed budget for fiscal year 2013 falls short. At the end of the 10-year budget window, he would have the national debt at a disturbing 76.5 percent of gross domestic product... The final budget of his first term does not reflect the leadership on issues of debt and deficit that Mr. Obama once vowed.”**

# Los Angeles Times

“...it's past time for the administration to lay out a credible plan for bringing the deficit and debt under control. **Sadly, Obama's budget proposal shows that he'd rather wait until after the election to have that reckoning.**”





**“Obama’s budget plan leaves debt bomb ticking...** The best test of a budget proposal these days is whether it reins in the national debt... The election-year budget President Obama sent to Congress on Monday fails that test.”



**“President Barack Obama has apparently decided that he is not going to be part of the solution to the nation’s enormous deficit — which would make him, yes, part of the problem.”**



# Playing Offense: Third Party Validation

“The seeds of the next recession have already been planted. The debt burden accumulated over the next ten years will sink us.”

The Honeywell logo is displayed in a bold, red, sans-serif font. Below the text, there is a faint, light-colored reflection of the logo.

*Dave Cote*

*Chairman & CEO, Honeywell*

*122,000 employees*

# Playing Offense: Third Party Validation

“If we don't lower spending and if we don't deal with paying down the debt, we are going to have to raise taxes. Even brain-dead economists understand that when you raise taxes, you cost jobs.”



*Bernie Marcus*

*Former Chairman & CEO*

*Home Depot (255,185 employees)*

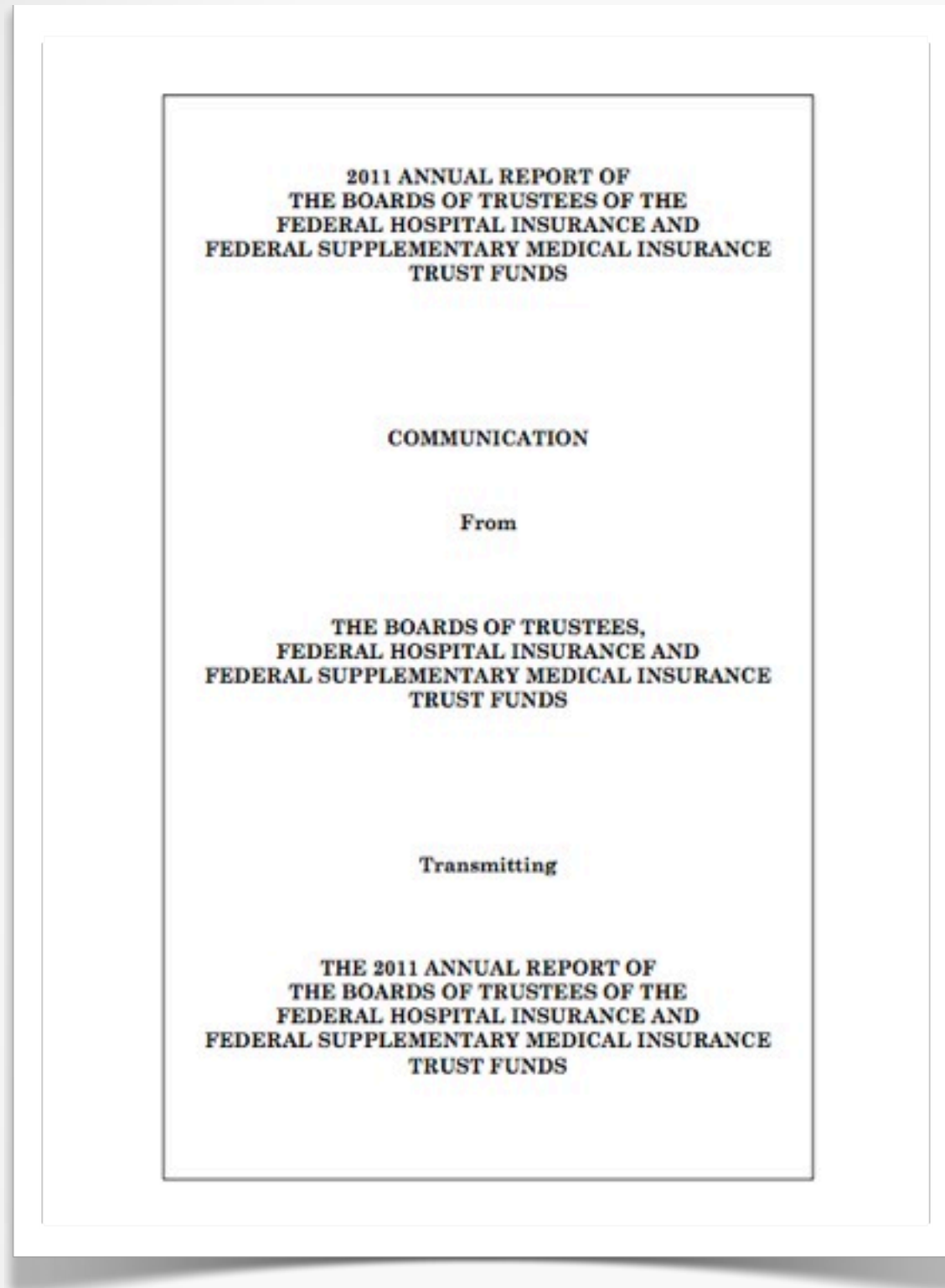
*July 20, 2011*

# Playing Offense: Third Party Validation

## WHAT HAPPENS WHEN MEDICARE'S TRUST FUND GOES INSOLVENT?

**“Beneficiary access to health care services would rapidly be curtailed.”**

*Medicare Trustees' 2011 Report*



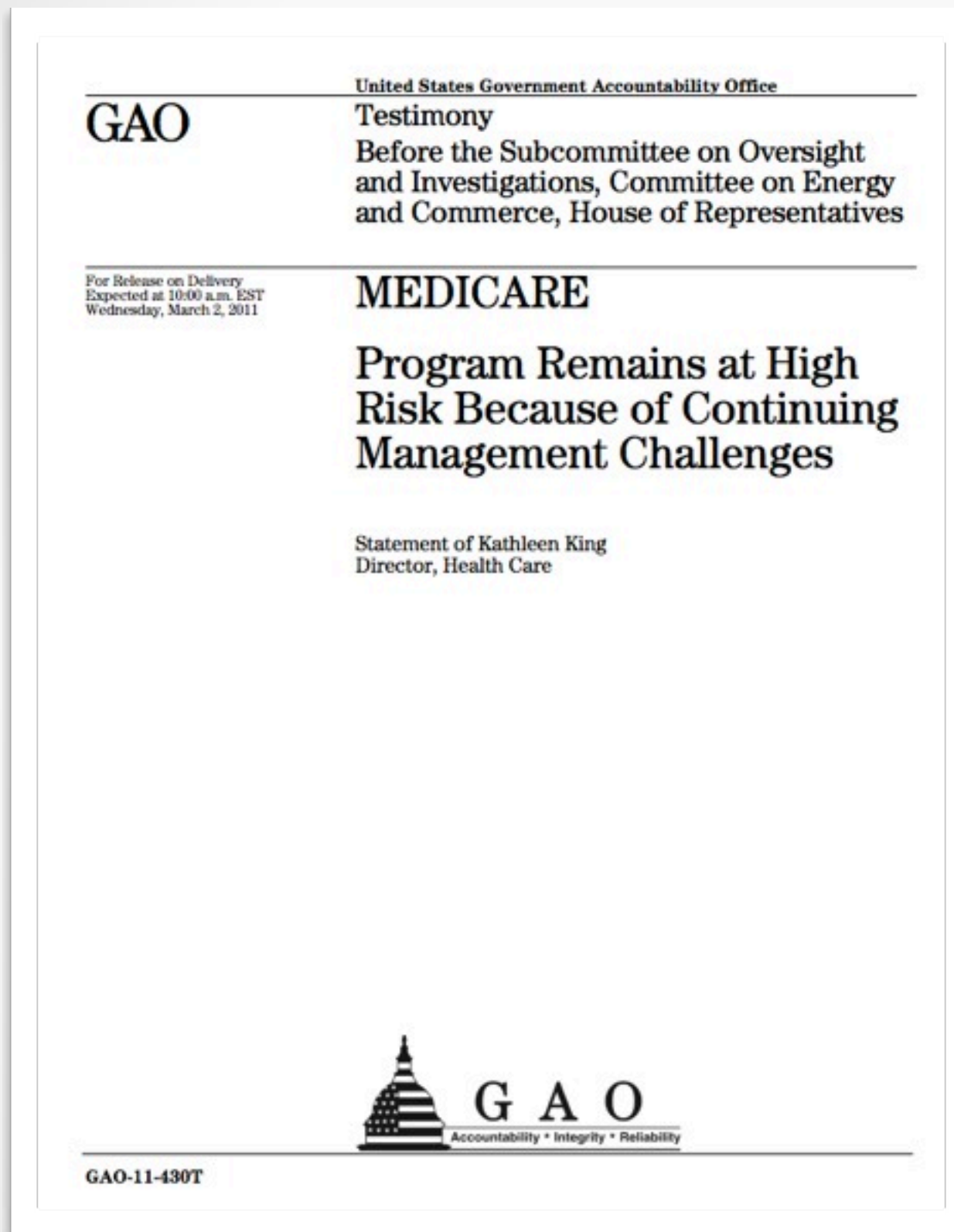
be made only from ongoing tax revenues, which would not be sufficient to cover total costs. Beneficiary access to health care services would rapidly be curtailed.



# Playing Offense: Third Party Validation

As we report in our 2011 High-Risk Series, Medicare is on a path that is **fiscally unsustainable** over the long term, which heightens the need for CMS to reform the program.

“Medicare remains on a path that is **fiscally unsustainable** over the long term.”



*Government Accountability Office  
Medicare: Program Remains at High Risk Because of  
Continuing Management Challenges, March 2011*

# Playing Offense: Third Party Validation



CONGRESSIONAL BUDGET OFFICE

The government takeover of health care could “**reduce access to care** or diminish the quality of care.”

*-- Congressional Budget Office, 12/19/09*

# Playing Offense: Comparing the President's Budget with the House GOP Plan



# The Republican Budget: Job Creation, Economic Certainty, and Growth

	The House GOP Budget	The President's Budget
Spending	Cuts spending by \$5 trillion relative to President's budget	Net \$1.5 trillion increase relative to current policy

# The Republican Budget: Job Creation, Economic Certainty, and Growth

	The House GOP Budget	The President's Budget
<b>Taxes</b>	Prevents President's tax increases; Reforms broken tax code to make it simple, fair, and competitive; clears out special interest loopholes and lowers everybody's tax rates to promote growth	Imposes a \$1.9 trillion tax increase; Adds new complexity and new hurdles for hardworking taxpayers, making it more difficult to expand opportunity

# The Republican Budget: Job Creation, Economic Certainty, and Growth

	The House GOP Budget	The President's Budget
Deficits	Brings deficits below 3 percent of GDP by 2015; Reduces deficits by over \$3 trillion relative to President's budget; Puts budget on path to balance	Four straight trillion-dollar deficits; Breaks promise to cut deficit in half by end of first term; Budget never balances



# The Republican Budget: Job Creation, Economic Certainty, and Growth

	The House GOP Budget	The President's Budget
Debt	Reduces debt as a share of the economy over the next decade; Charts a sustainable trajectory by reforming the drivers of the debt; Pays off the debt over time	Adds \$11 trillion to the debt – increasing debt as a share of the economy – over the next decade; Imposes \$200,000 debt burden per household; Debt skyrockets in the years ahead

# The Republican Budget: Job Creation, Economic Certainty, and Growth

	The House GOP Budget	The President's Budget
<b>Size of Gov't</b>	Brings size of government to 20 percent of economy by 2015, allowing the private sector to grow and create jobs	Size of government never falls below 23 percent of the economy, making it more difficult to expand opportunity

# The Republican Budget: Job Creation, Economic Certainty, and Growth

	The House GOP Budget	The President's Budget
National Security	<p>Prioritizes national security by preventing deep, indiscriminate cuts to defense; Identifies strategy-driven savings, while funding defense at levels that keep America safe by providing \$554 billion for the next fiscal year for national defense spending</p>	<p>Slashes defense spending by nearly \$500 billion; Threatens additional cuts by refusing to specify plan of action to address the sequester; Forces troops and military families to pay the price for Washington's refusal to address drivers of debt</p>



# The Republican Budget: Job Creation, Economic Certainty, and Growth

	The House GOP Budget	The President's Budget
Health Security	Repeals President's health care law; Advances bipartisan solutions that take power away from government bureaucrats and put patients in control; No disruption for those in or near retirement; Ensures a strengthened Medicare program for future generations, with less support given to the wealthy and more assistance for the poor and the sick	Doubles down on health care law, allowing government bureaucrats to interfere with patient care; Empowers an unaccountable board of 15 unelected bureaucrats to cut Medicare in ways that result in restricted access and denied care for current seniors, and a bankrupt future for the next generation

# Playing Defense

## DEMOCRAT CHARGE:

*“This Republican budget does not balance the federal budget in the next 10 years.”*



DEMOCRAT CHARGE:

*“Republicans talk about debt but voted to increase the debt limit by \$2.1 trillion just last year.”*

DEMOCRAT CHARGE:

*“Republicans just voted to increase the deficit by \$100 billion in order to extend temporary payroll tax cuts.”*

## DEMOCRAT CHARGE:

*“The Republican budget will not create jobs and will harm recovery.”*



## DEMOCRAT CHARGE:

*“According to CBO, the Republican budget will increase out-of-pocket Medicare costs for retirees.”*

## DEMOCRAT CHARGE:

*“The Republican budget will not provide future retirees with the same plan that Members of Congress now have.”*

DEMOCRAT CHARGE:

*“Republicans are making deficits worse by giving tax cuts to the rich.”*



## DEMOCRAT CHARGE:

*“The Republican budget keeps special tax breaks for oil companies.”*

## DEMOCRAT CHARGE:

*“The Republican Budget will end Medicare and Social Security as we know it.”*

DEMOCRAT CHARGE:

*“Republicans are cutting important programs that help people across the country.”*



# Sound Bites

# Sound Bites

**We can't keep spending money we don't have on jobs we never get.**

# **Sound Bites**

**Our nation faces a debt crisis because we spend too much, not because we tax too little.**



# **Sound Bites**

**Families all across America have had to tighten their belts over the past three years; it's time for Washington to do the same.**

# **Sound Bites**

**We have to stop borrowing nearly 40 cents of every dollar we spend from countries like China.**

**House Republicans have a  
Plan for America's Job  
Creators.**



# The Republican Budget: Job Creation, Economic Certainty, and Growth

## The Republicans Budget:

- Promotes job creation and certainty by preventing the President's tax increases
- Caps taxes for individuals and job creators and makes the tax code fairer, flatter, and simpler
- Removes new job-destroying regulations
- Repeals the government takeover of health care
- Stops spending money we don't have
- Puts the budget on a path to balance
- Preserves Medicare for future generations

**THE CURRENT NATIONAL DEBT IS  
\$15,586,786,066,148.95**



SPENDING IN THE PRESIDENT'S BUDGET  53%.  
THE AMERICAN FAMILY AVERAGE INCOME  6.4%.

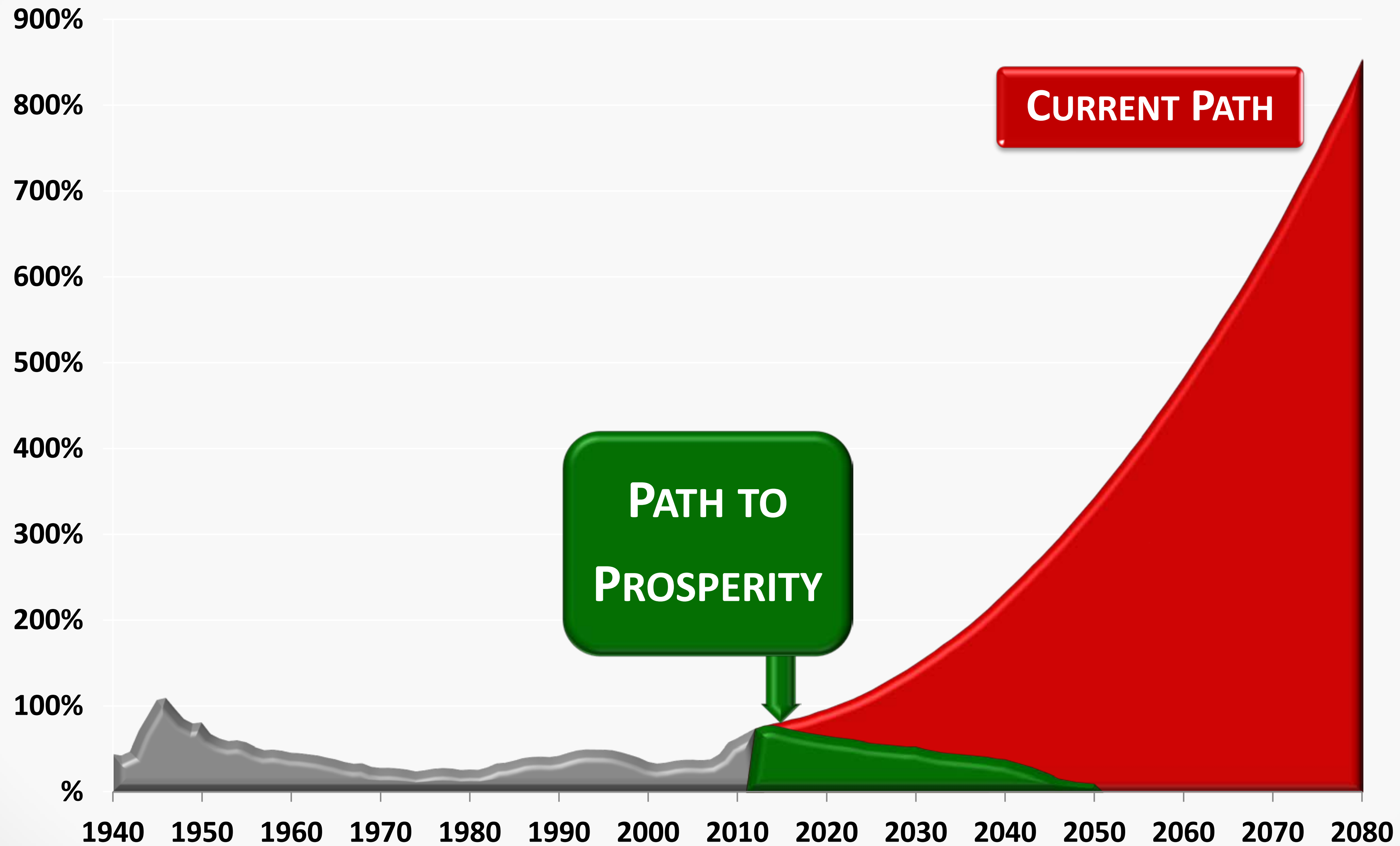
WASHINGTON  
KEEPS GROWING.  
FAMILIES SUFFER.  
WE MUST CUT  
SPENDING NOW.



FIGURE 14

# A CHOICE OF TWO FUTURES

## (DEBT AS A SHARE OF ECONOMY)

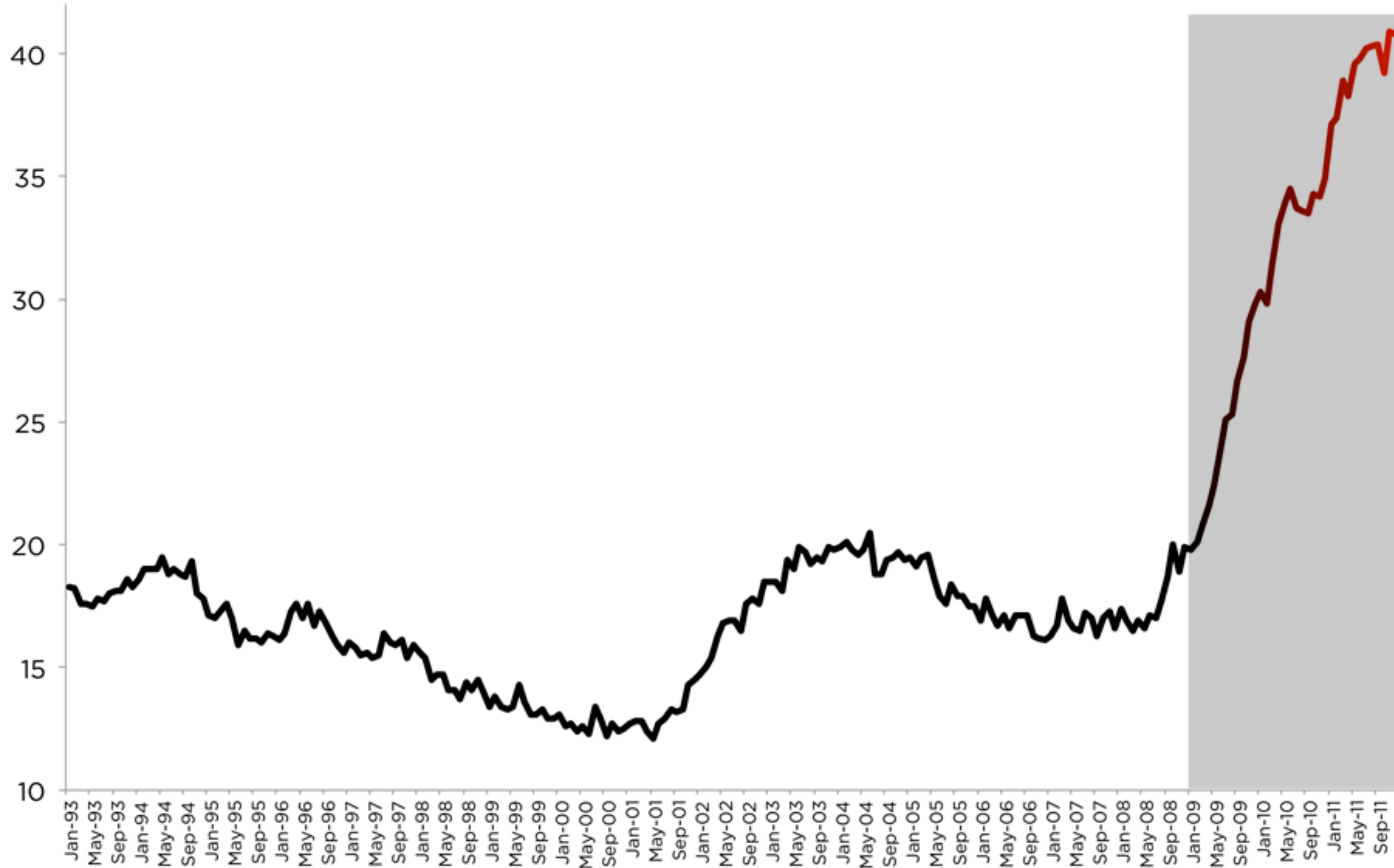


SOURCE: OMB/CBO

# UNEMPLOYMENT IN THE OBAMA ECONOMY

## THE AVERAGE LENGTH OF UNEMPLOYMENT IS UP 86% UNDER OBAMA

**AVERAGE WEEKS UNEMPLOYED**



**48 PERCENT OF ALL AMERICANS  
ARE NOW CLASSIFIED AS  
POOR OR LOW-INCOME.**

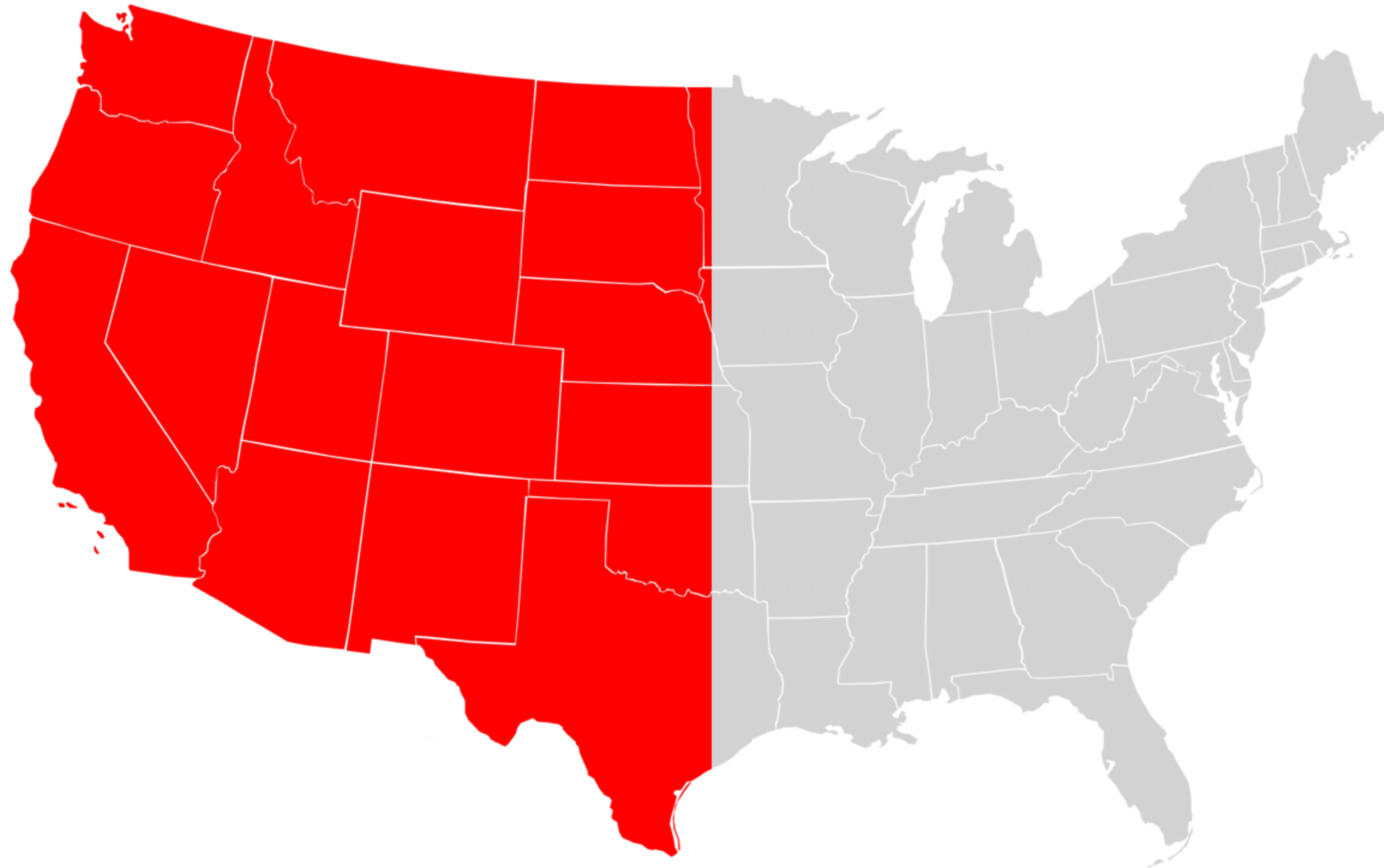
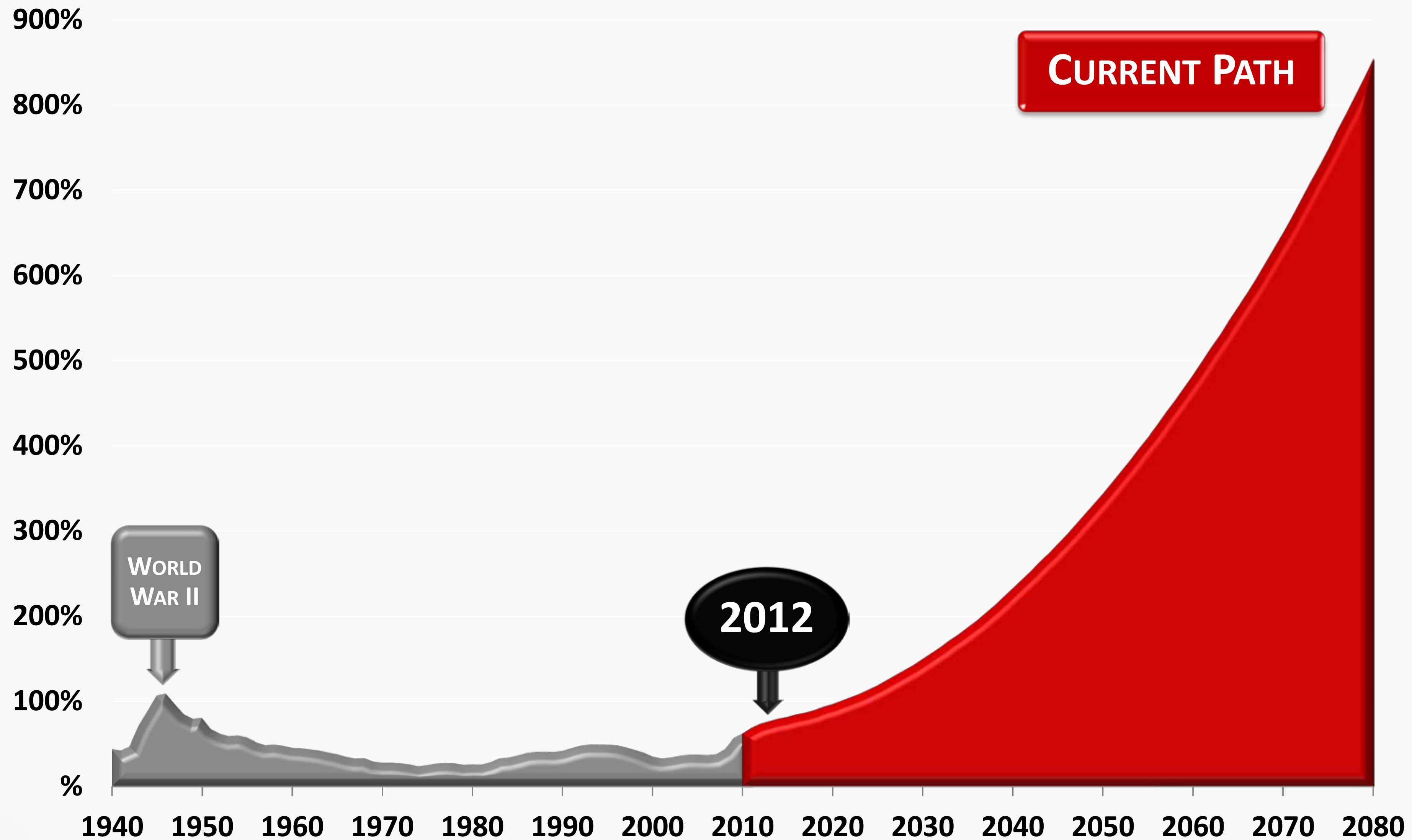




FIGURE 1

# CRUSHING BURDEN OF DEBT

## (U.S. DEBT HELD BY PUBLIC AS A SHARE OF ECONOMY)

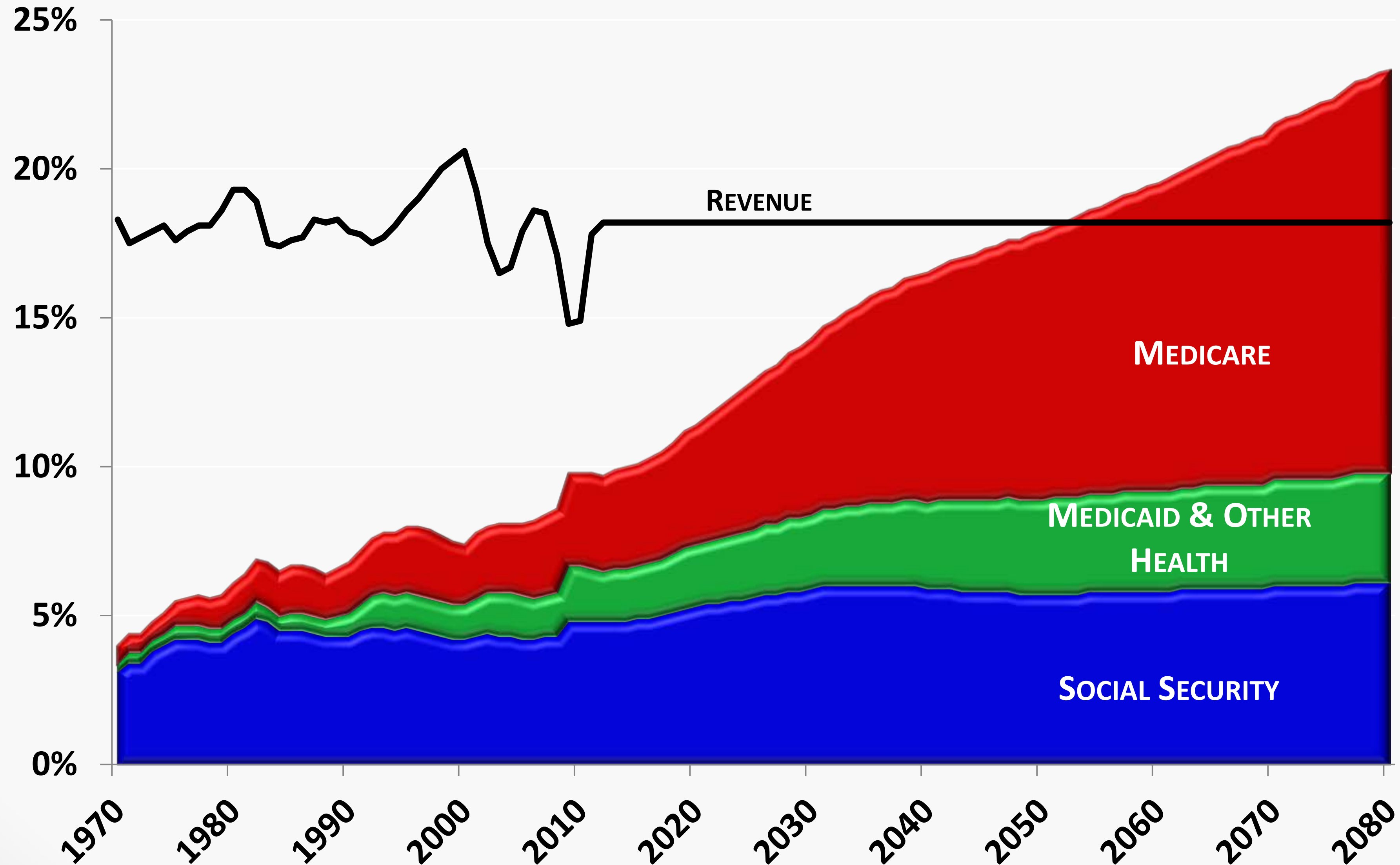


SOURCE: OMB/CBO

FIGURE 2

# WHAT DRIVES OUR DEBT?

(GOVERNMENT SPENDING AS A SHARE OF ECONOMY)

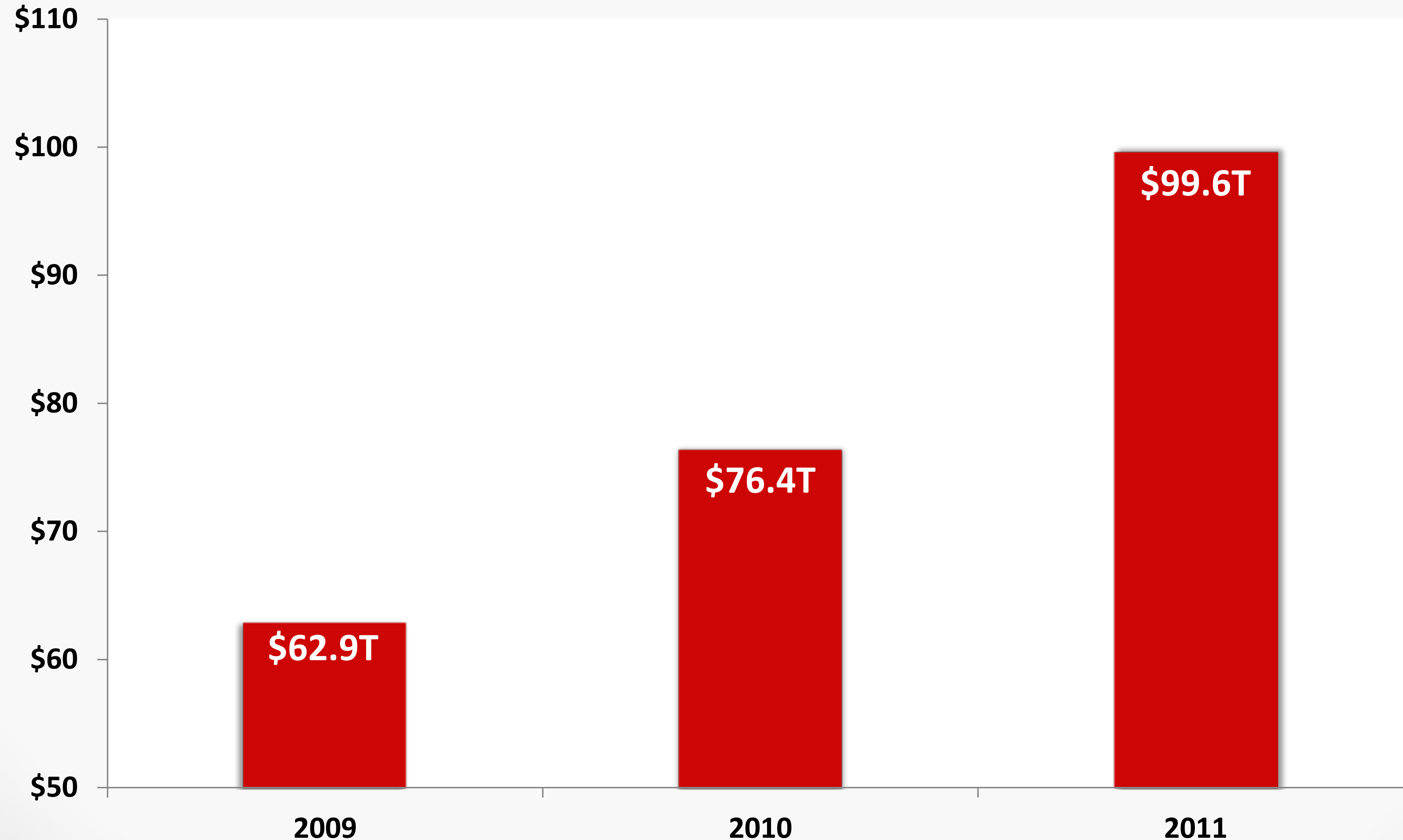


SOURCE: CBO

FIGURE 3

# THE COST OF WAITING – THE FISCAL GAP

(UNFUNDED PROMISES IN TRILLIONS OF DOLLARS)



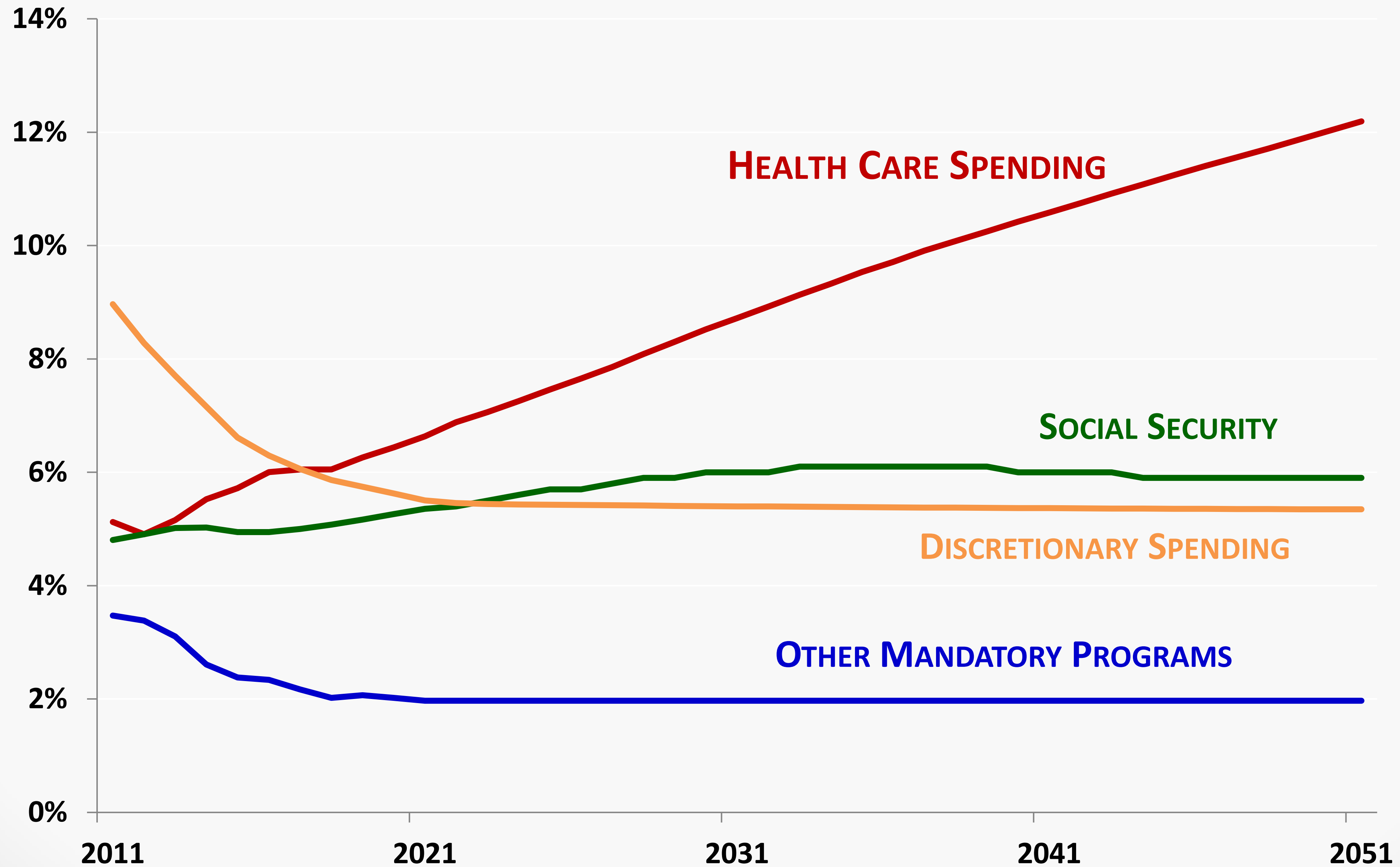
SOURCE: GOVERNMENT ACCOUNTABILITY OFFICE



FIGURE 4

# HEALTH CARE COSTS ARE THE PRIMARY DRIVER OF THE DEBT

(GOVERNMENT SPENDING AS A SHARE OF ECONOMY)

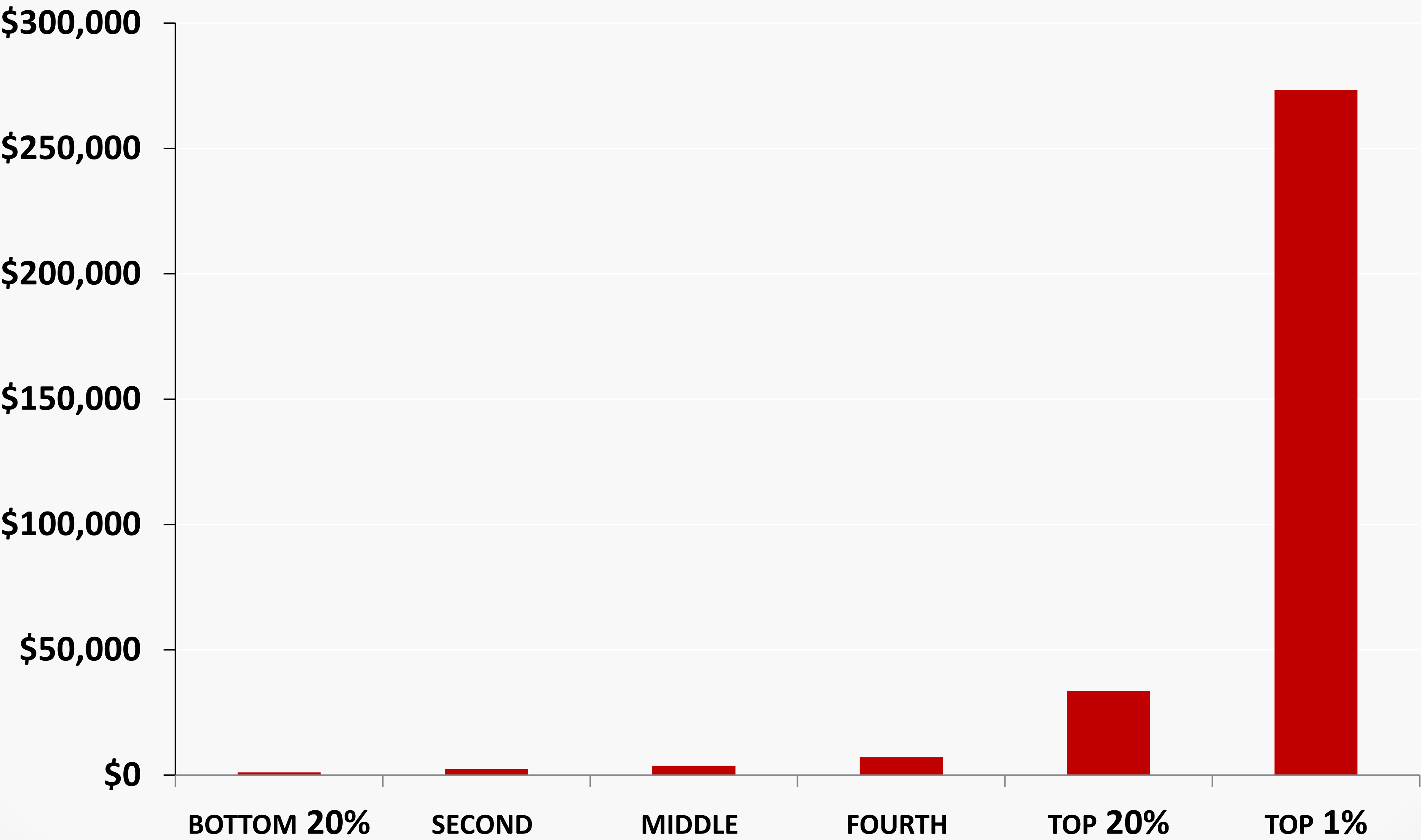


SOURCE: CBO

FIGURE 5

# WHO BENEFITS FROM TAX LOOPHOLES

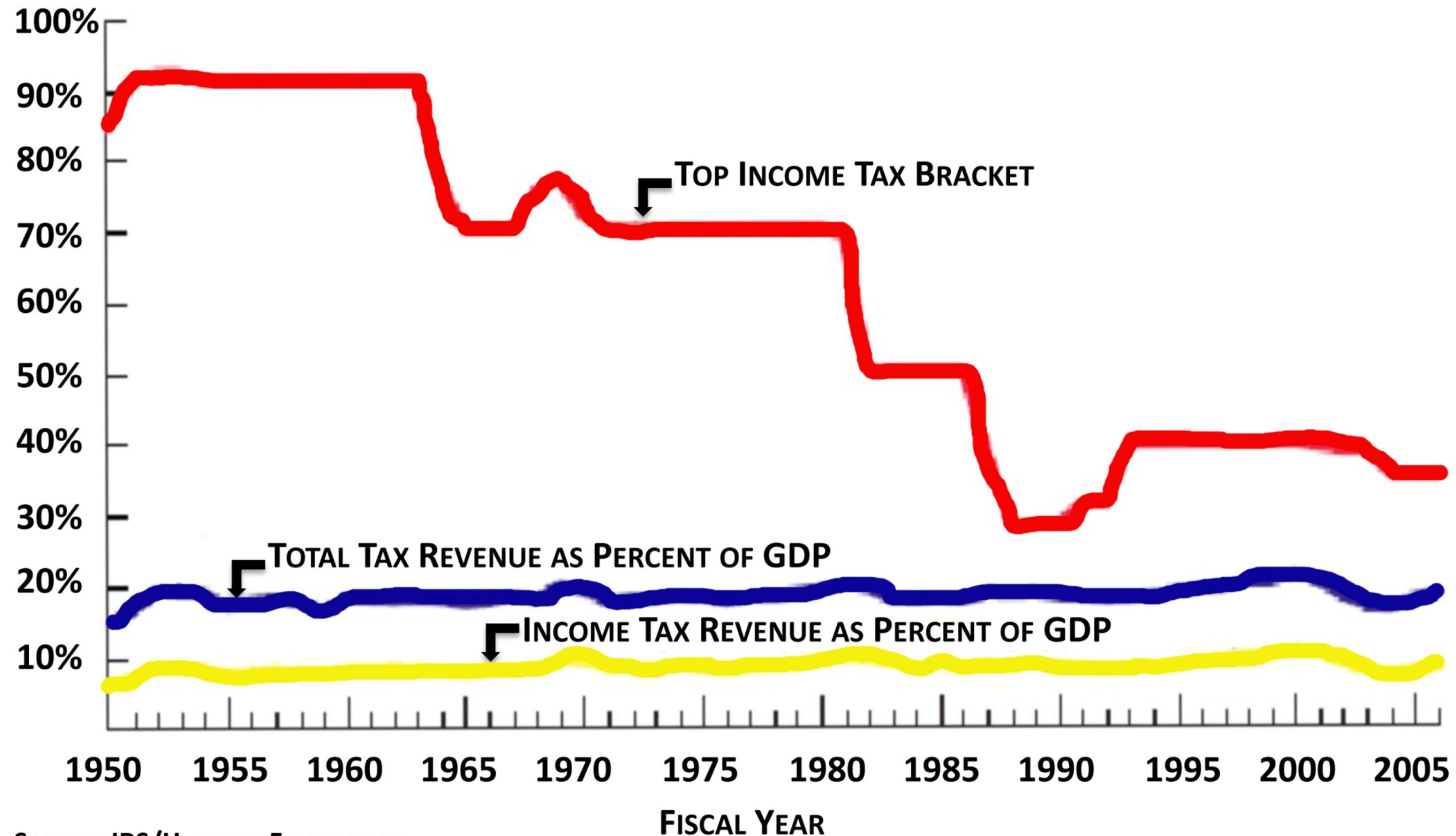
AVERAGE PER PERSON BENEFIT BY CATEGORY OF EARNERS



SOURCE: IRS/TAX POLICY CENTER

FIGURE 6

# TAX REVENUES DO NOT CORRELATE WELL WITH TAX RATES

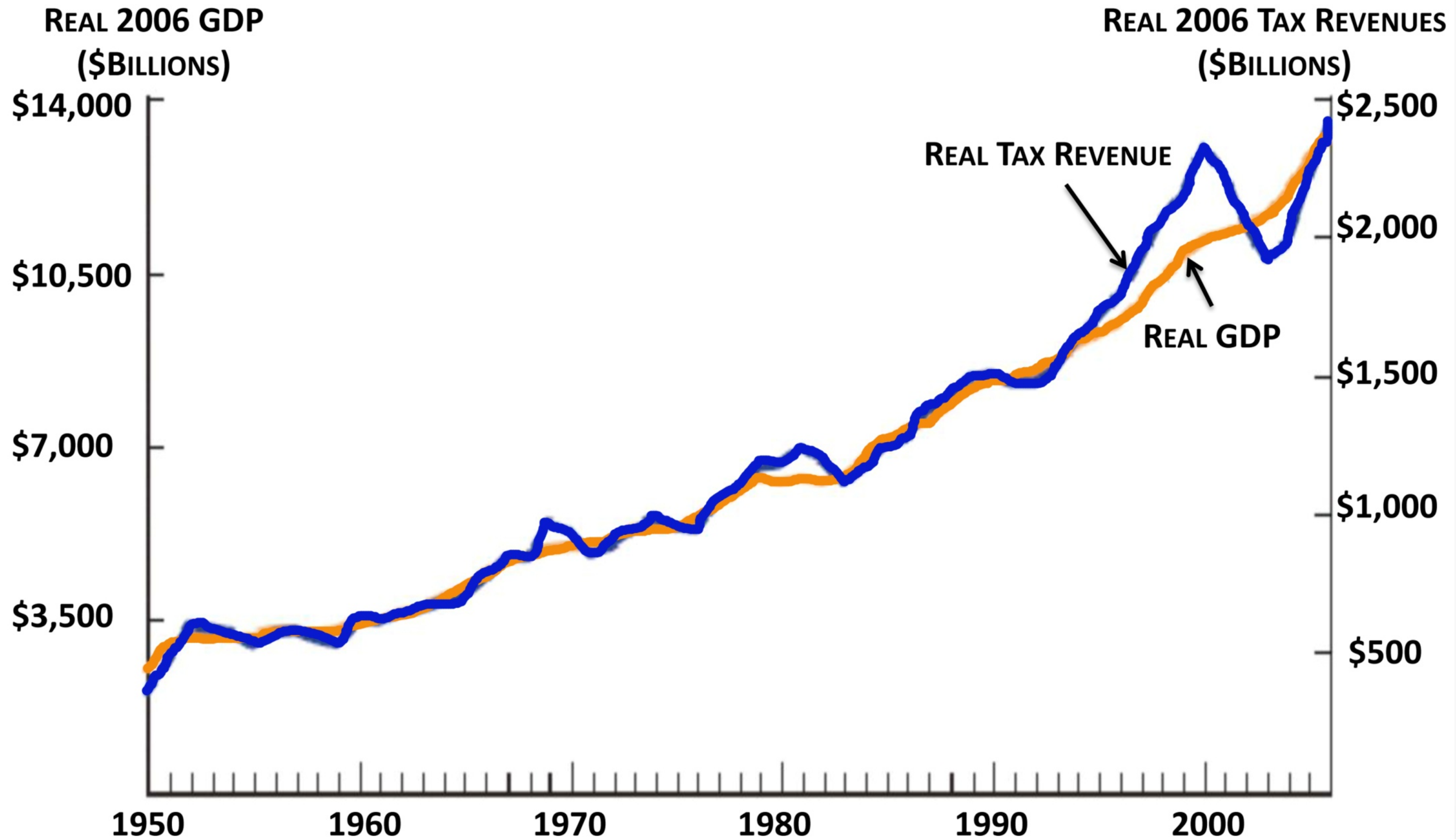


SOURCE: IRS/HERITAGE FOUNDATION



FIGURE 7

# TAX REVENUES ARE HIGHLY CORRELATED WITH GDP

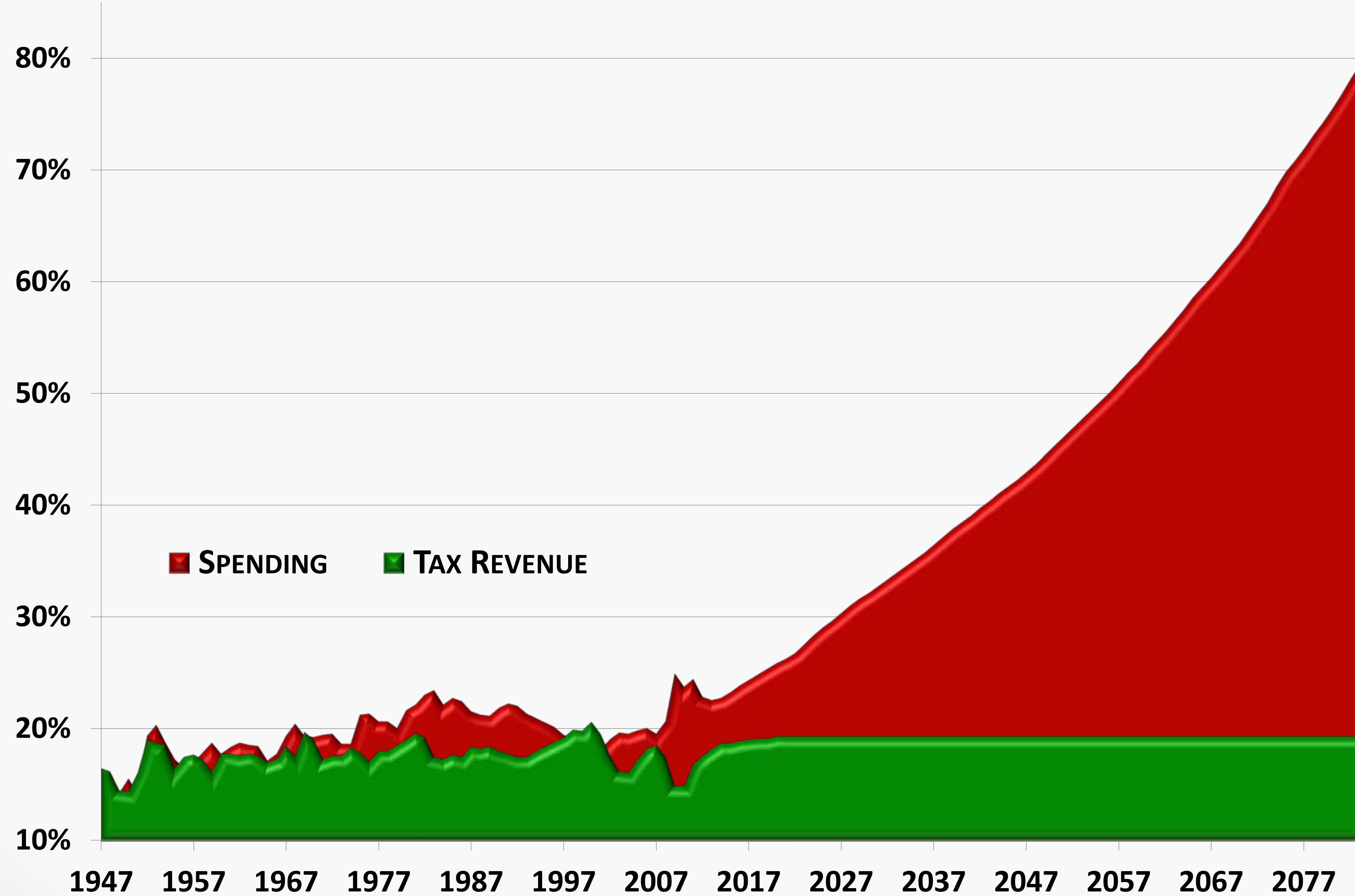


SOURCE: IRS/HERITAGE FOUNDATION

FIGURE 8

# WE ARE IN A SPENDING-DRIVEN DEBT CRISIS

(AS A SHARE OF ECONOMY)

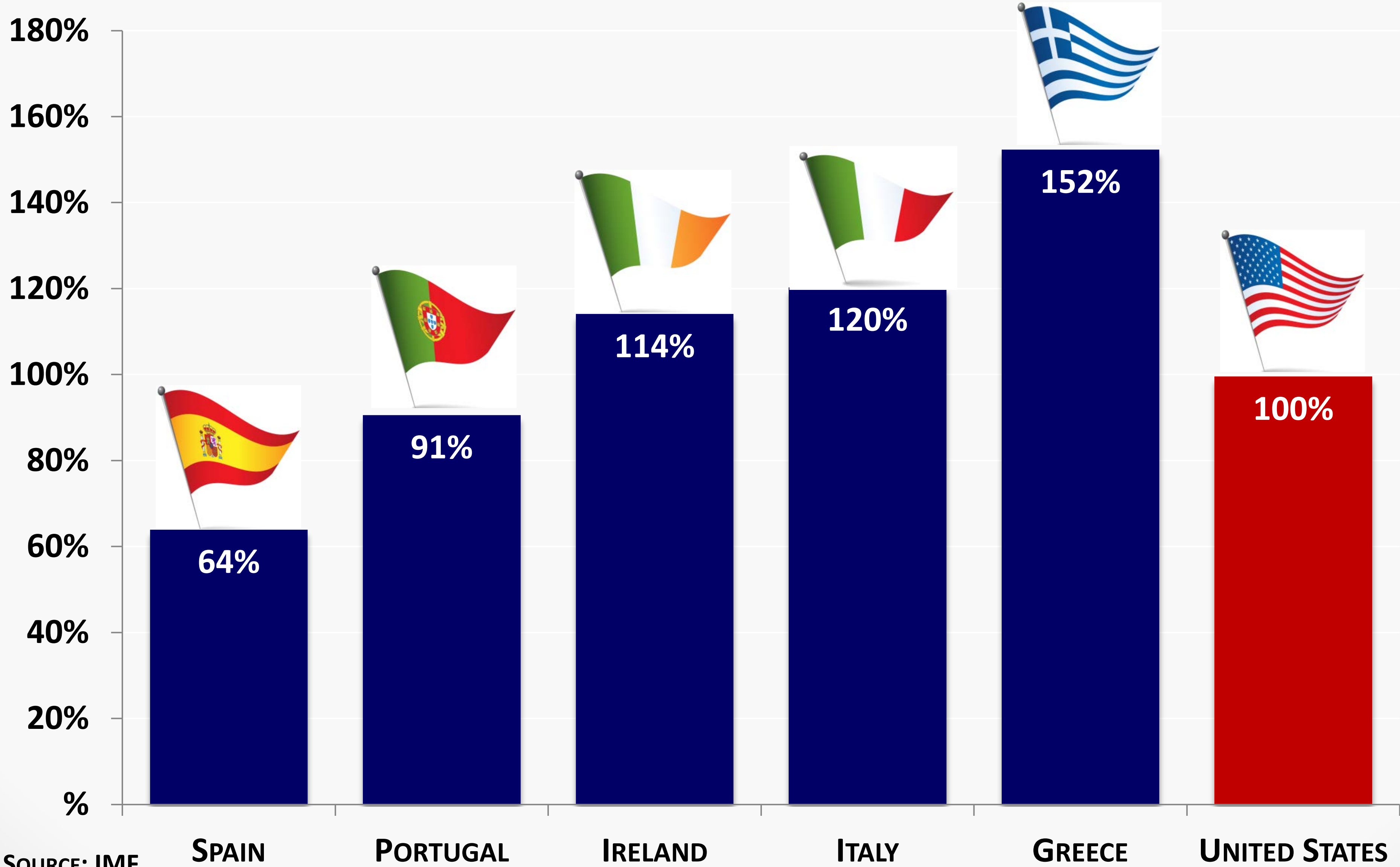


SOURCE: OMB/CBO

FIGURE 9

# TROUBLE AHEAD - EUROPE

## (GOVERNMENT DEBT AS A SHARE OF ECONOMY - 2011)



SOURCE: IMF



FIGURE 10

# WHO OWNS OUR DEBT?

(DEBT HELD BY PUBLIC, 1970 -2011)

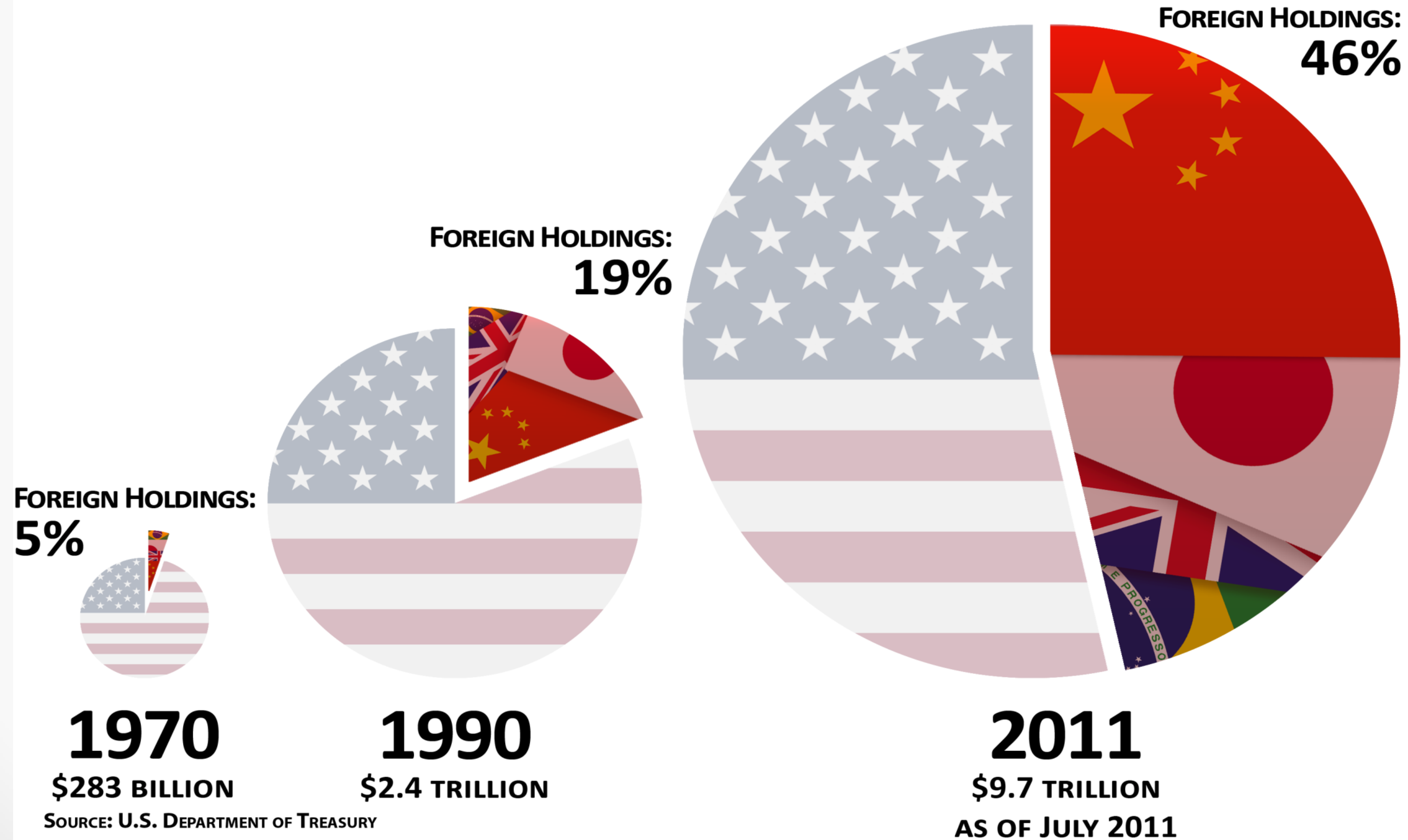
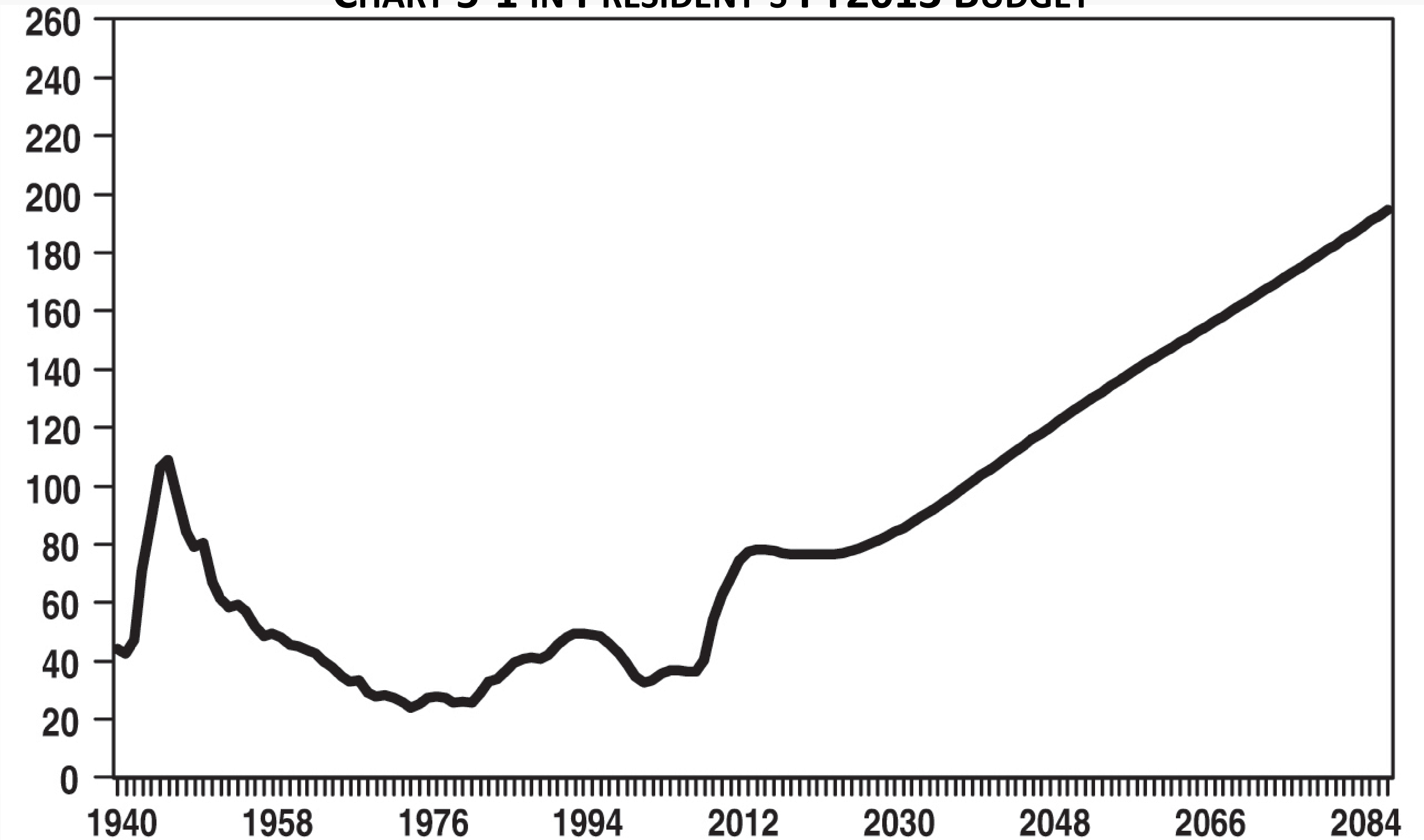


FIGURE 11

# DEBT HELD BY PUBLIC

(AS A SHARE OF ECONOMY)

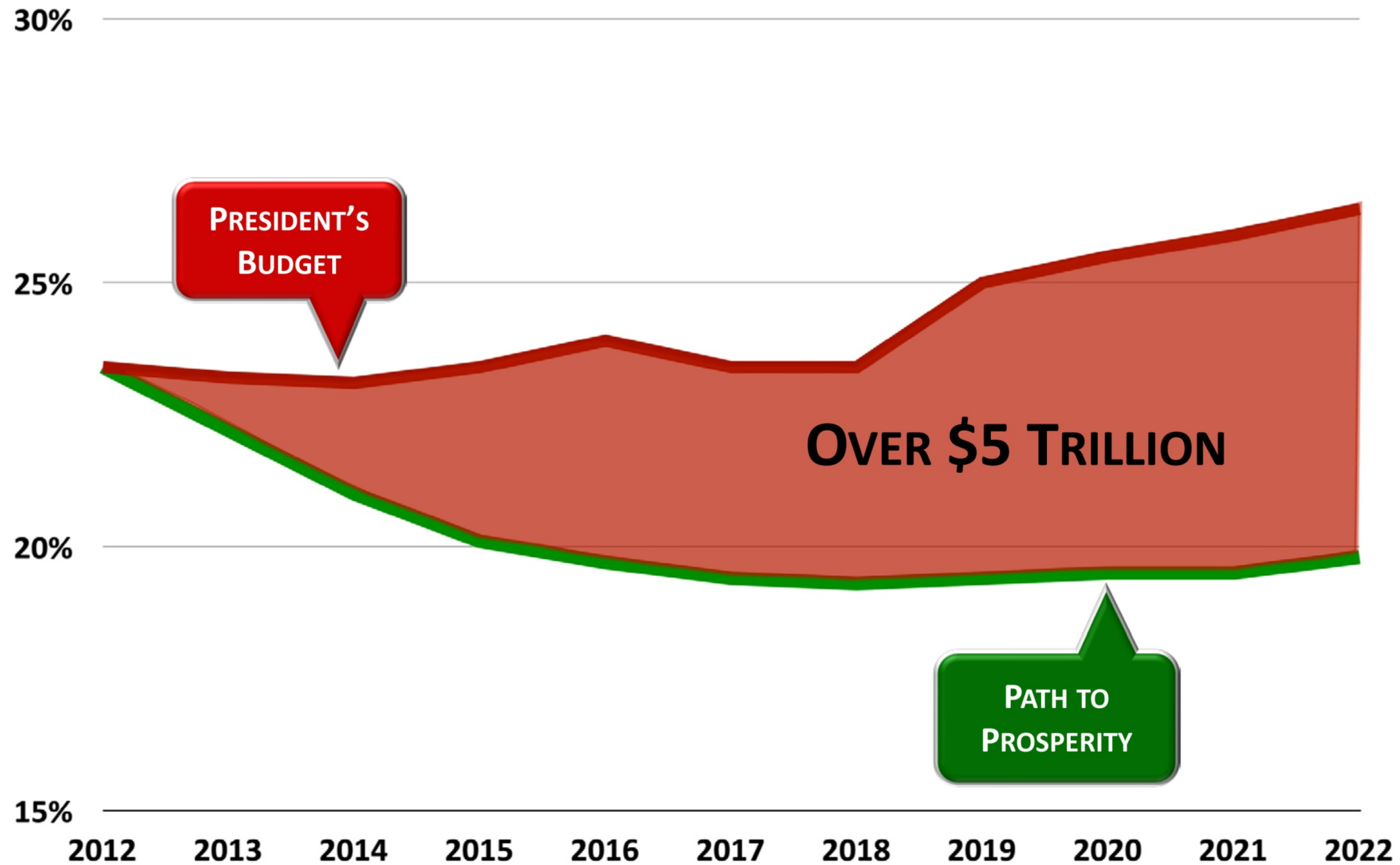
CHART 5-1 IN PRESIDENT'S FY2013 BUDGET



SOURCE: OMB

FIGURE 12

# GOVERNMENT SPENDING (AS A SHARE OF ECONOMY)



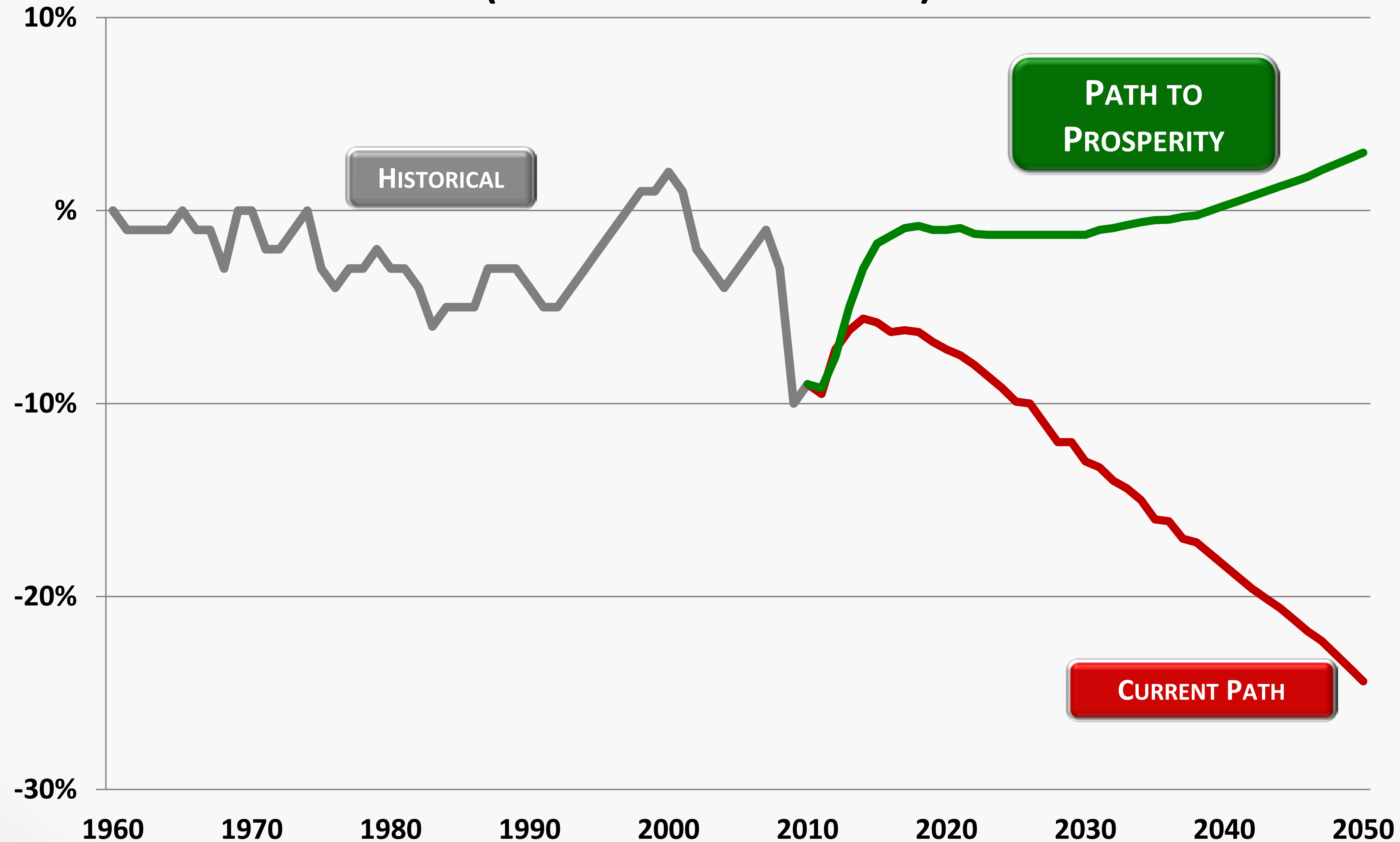
SOURCE: CBO/HBC



FIGURE 13

# FEDERAL DEFICIT OR SURPLUS

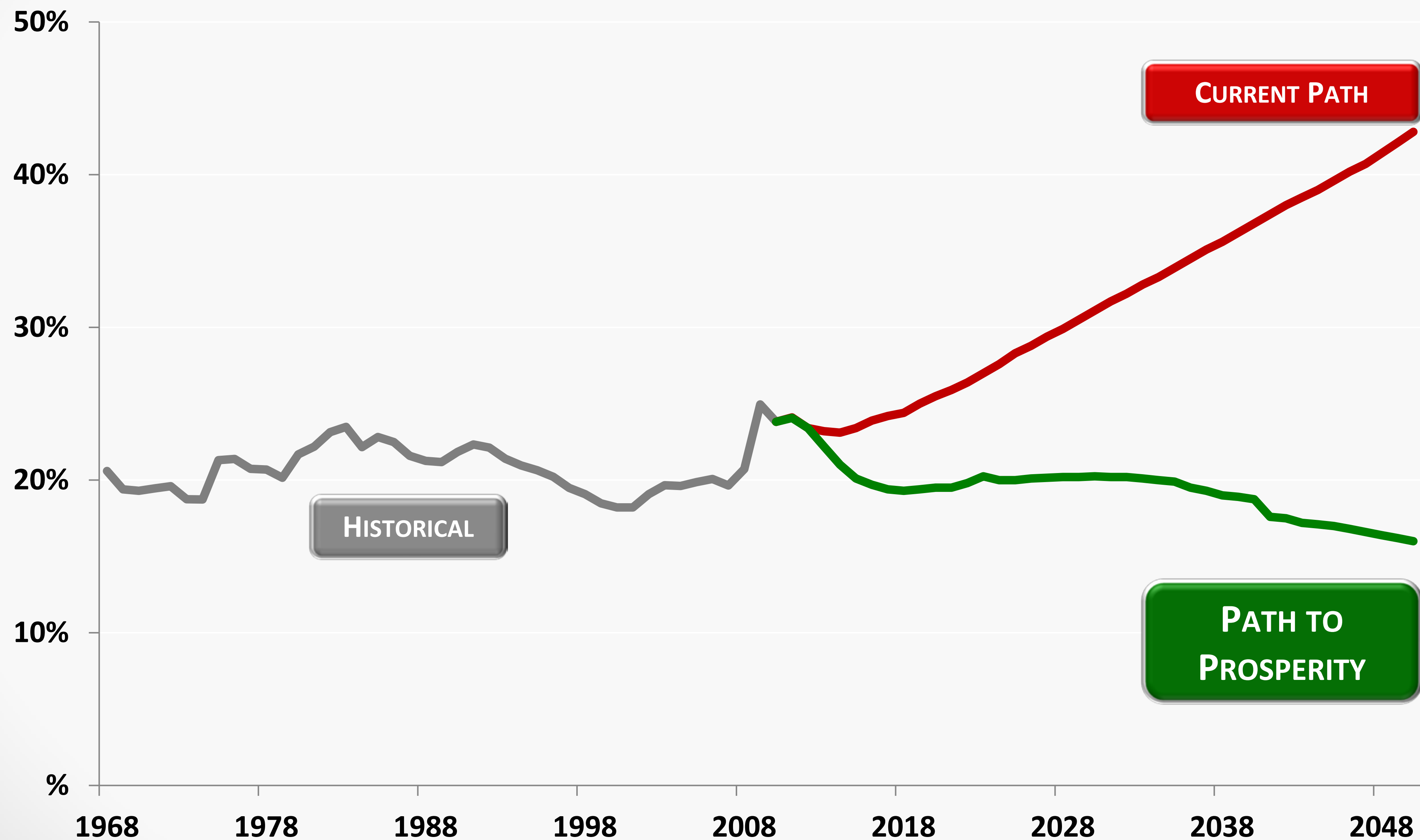
(AS A SHARE OF ECONOMY)



SOURCE: OMB/CBO

FIGURE 15

# TOTAL GOVERNMENT SPENDING (AS A SHARE OF ECONOMY)



SOURCE: OMB/CBO

With the interest we pay to China on our debt,  
China can afford to buy **3 new Joint Strike Fighters  
every week** – with \$50 million/week left over.





FIGURE 1

# SPENDING SPREE CONTINUES (IN BILLIONS OF DOLLARS)



SOURCE: OMB

OBAMA FY2013 BUDGET



FIGURE 3

# PRESIDENT'S BROKEN PROMISE ON DEFICIT

(IN BILLIONS OF DOLLARS)

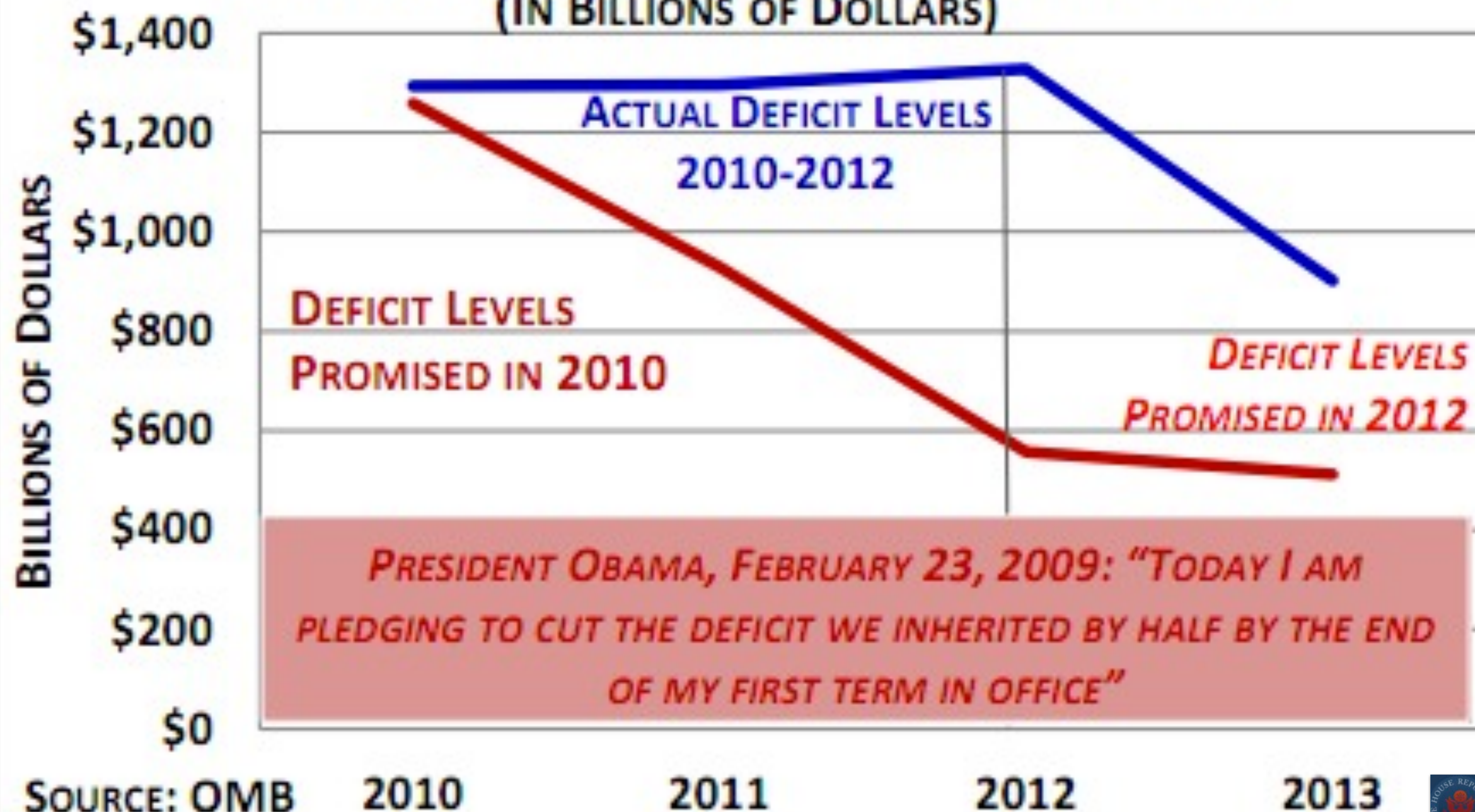
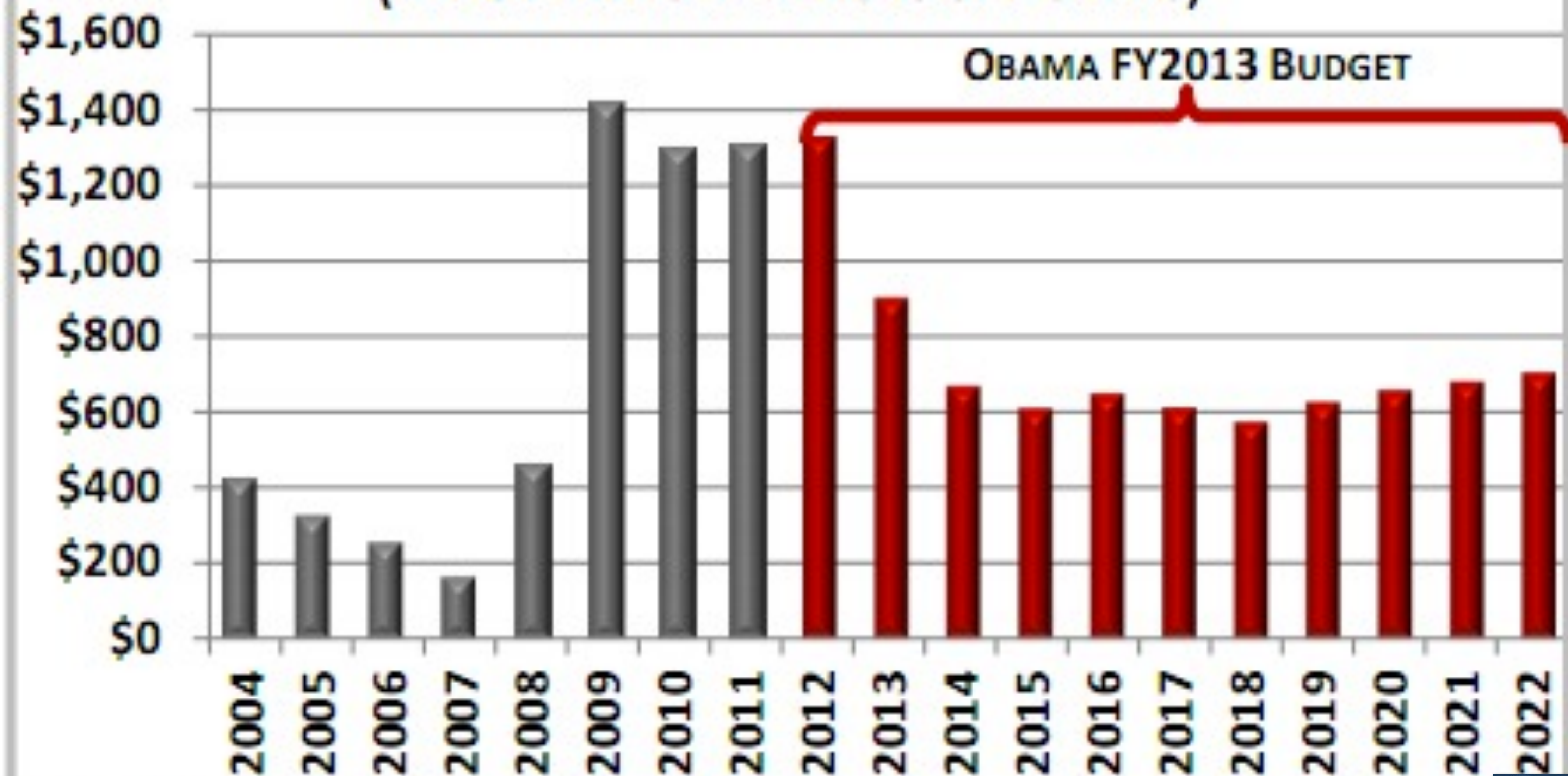




FIGURE 2

# DEFICIT UNDER OBAMA BUDGET

(DEFICIT LEVELS IN BILLIONS OF DOLLARS)



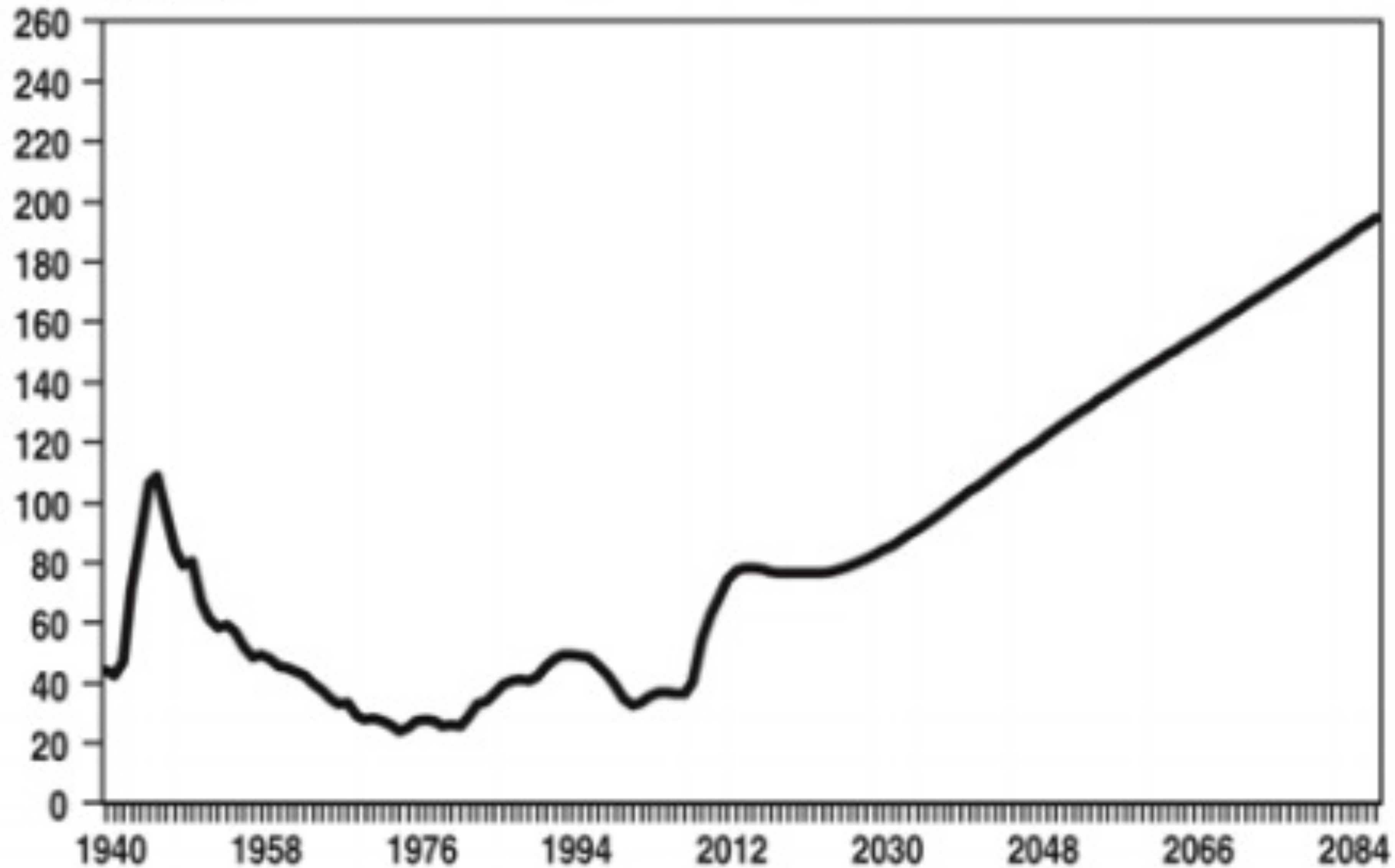
SOURCE: OMB



FIGURE 4

## Chart 5-1. Publicly Held Debt Under 2013 Budget Policy Extended

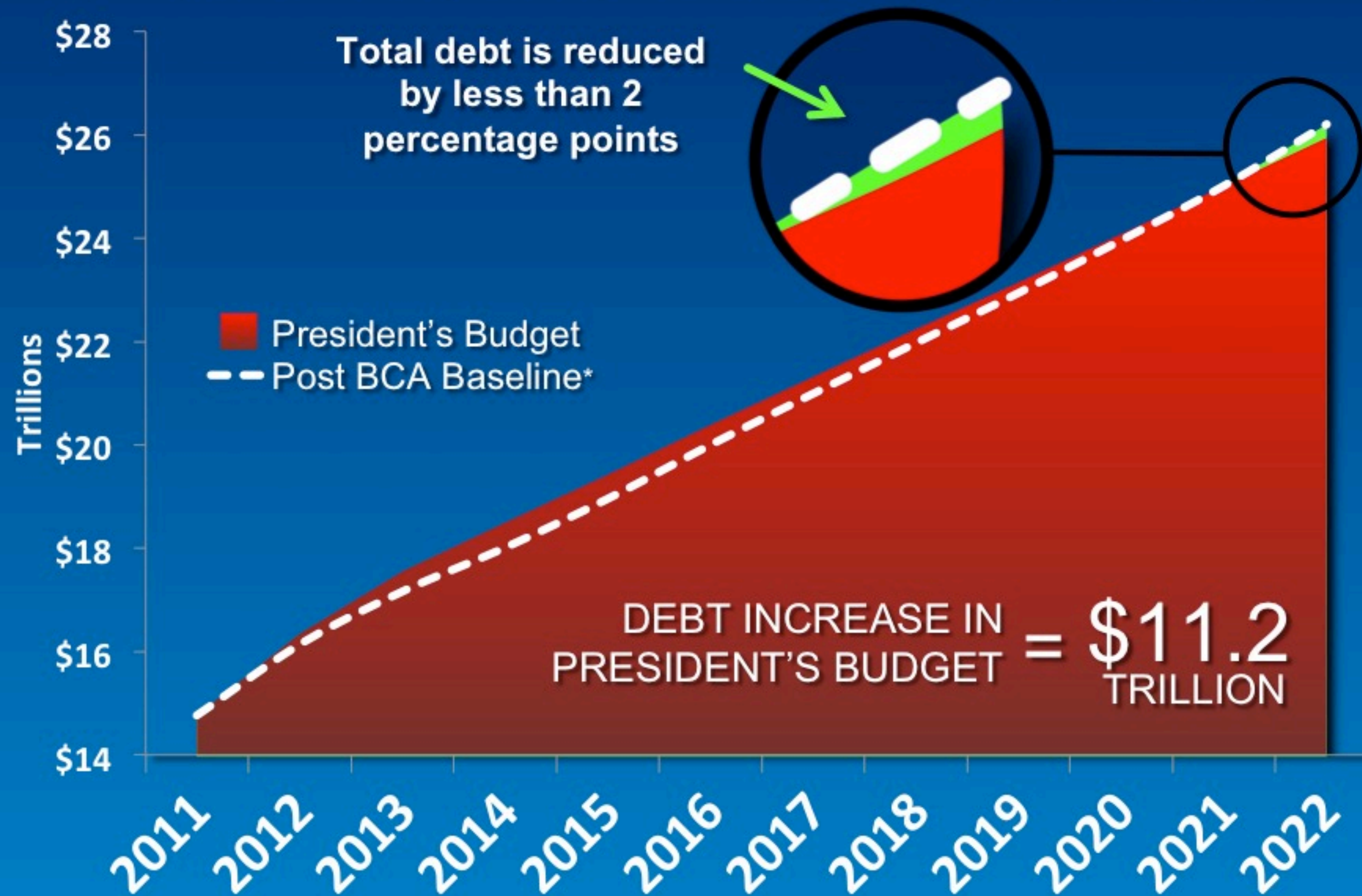
Percent of GDP





# Where is the President's \$4 Trillion Savings?

Gross Debt Increases to \$26 Trillion, Matching Current Policy\*



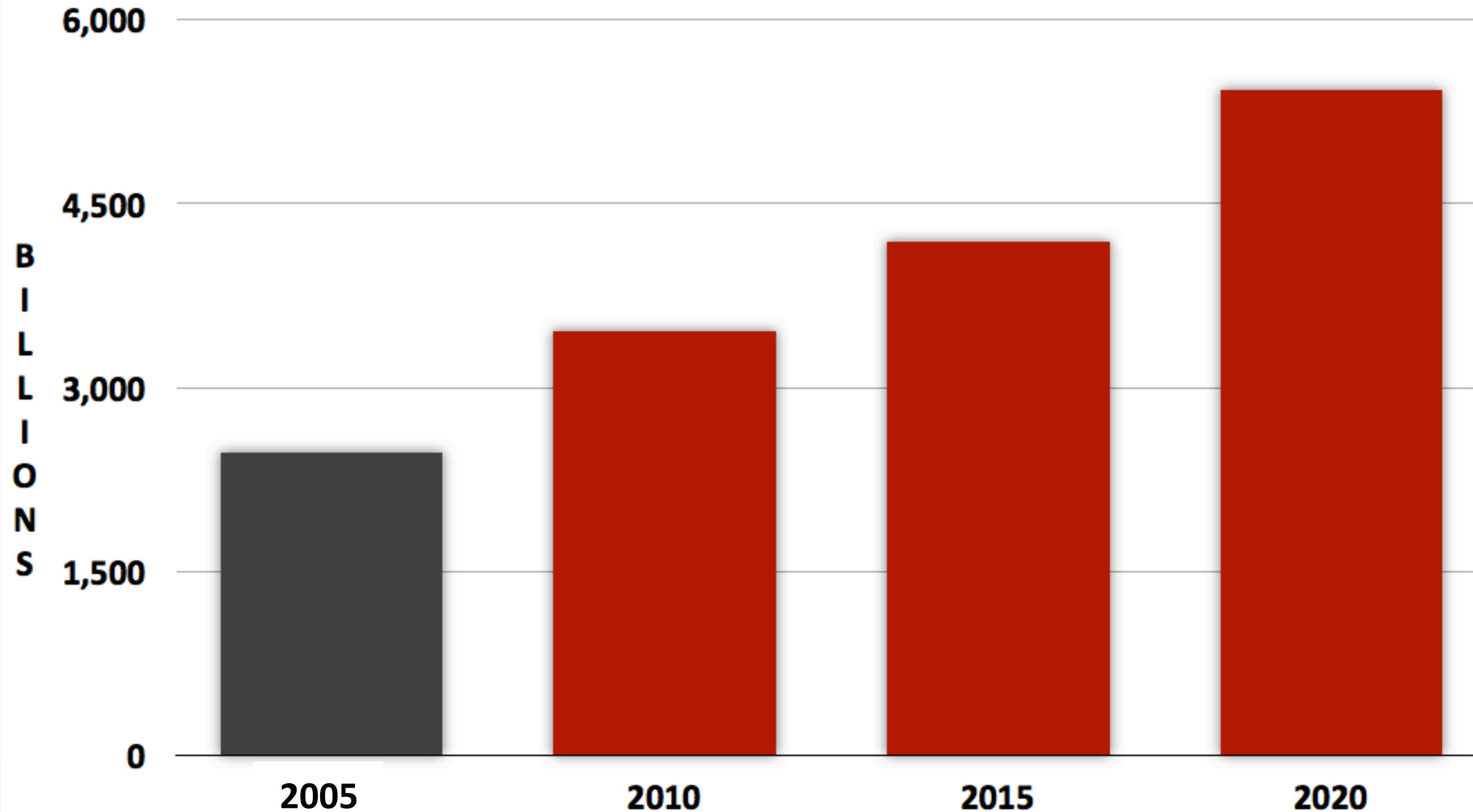
SOURCE: HBC and SBC Republican Staff, CBO, OMB

\* OMB Adjusted Baseline, excluding physician payment freeze & OCO savings



# RECKLESS SPENDING SPREE

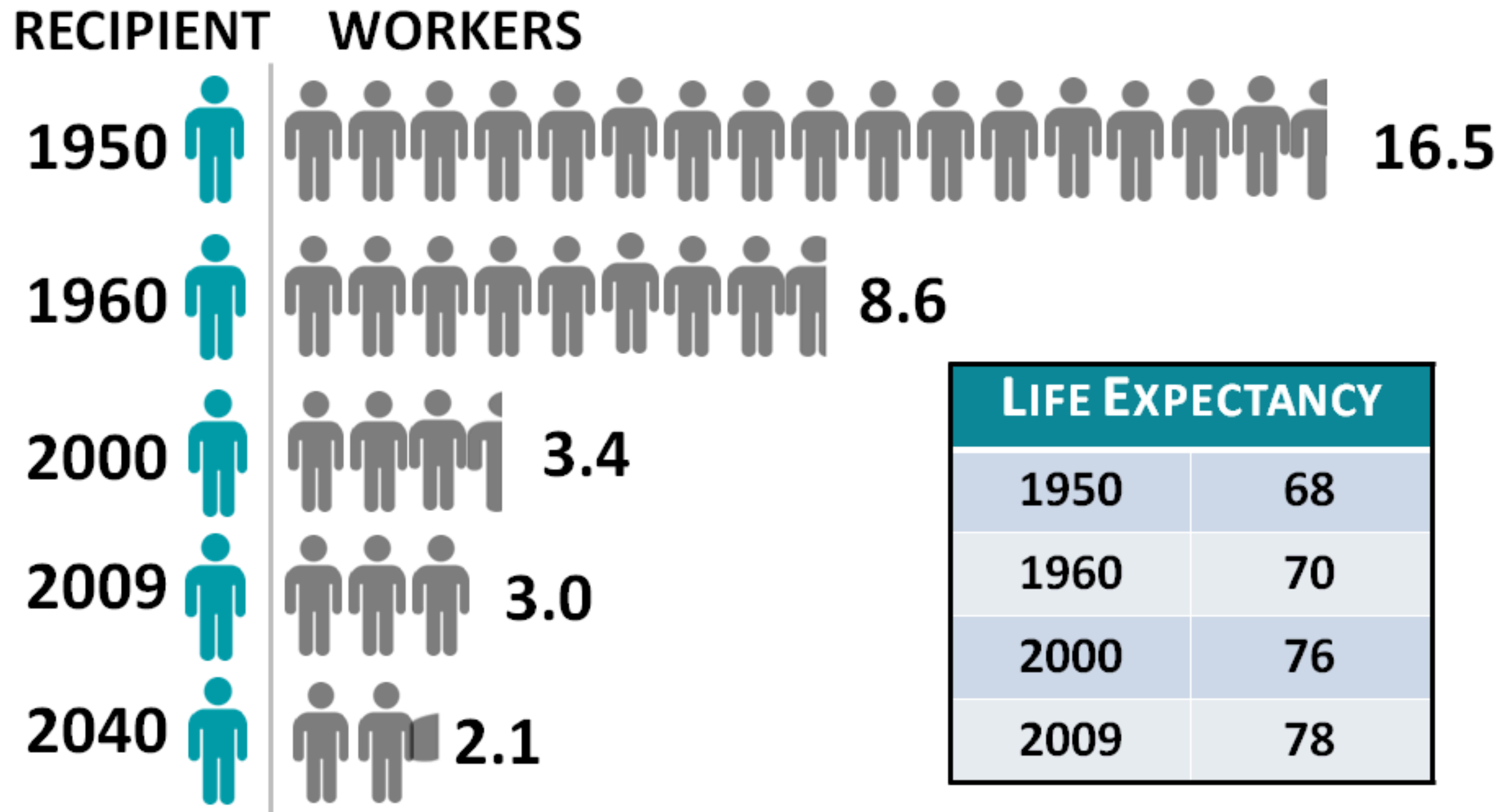
GOVERNMENT SPENDING IN BILLIONS OF DOLLARS, UNDER OBAMA BUDGET



SOURCE: CBO



# TAXPAYERS SUPPORTING EACH SOCIAL SECURITY RECIPIENT



SOURCE: SOCIAL SECURITY ADMINISTRATION, *THE 2010 ANNUAL REPORT OF THE BOARD OF TRUSTEES*; CENTERS FOR DISEASE CONTROL, *U.S. LIFE TABLES*